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Managing Change Towards Service Excellence: SDS a Case Study

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Managing Change Towards Service Excellence: SDS – A Case Study

By

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B.Sc. (Mgmt.)

Thesis submitted for the award of

M. Phil
(Master of Philosophy)

to the
Dublin Institute of Technology

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Declaration

I certify that this thesis which I now submit for examination for the award of M. Phil is my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

This thesis was prepared according to the regulations for postgraduate studies by research of the Dublin Institute of Technology and has not been submitted in whole or in part for an award in any other institute.

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Signature *Sean Guran* Date *31-8-89*
Candidate

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Abstract

In a business environment where change is the only constant, companies must direct their attention to activities that will make their offerings excellent. The attainment of service excellence is a very prominent theme in the literature on services marketing. However, while the benefits of programs to achieve this status are unquestionable, there are in fact very few service companies that are regarded as excellent in the market place. Therefore the main objective is to determine how a company manages the activities towards achieving service excellence.

The foundations of the primary research lie in both the literature on change management and service excellence. The approach taken to the research is qualitative in nature; more specifically the end result takes the format of a case study. The primary research involves in-depth interviews with a company that is highly regarded by both customers and competitors. Informants include employees, ranging from top management to frontline employees. The secondary research includes the literature review, an examination of company reports and in addition articles and projects written in various electronic and print media.

The results are discussed in relation to the themes that were deemed to be important, having conducted the literature search. The findings of the study highlight the progress made by the business unit of An Post (The Irish Postal Service), called Special Distribution Services (SDS). The SDS story demonstrates how a company can move from being a loss-making venture, to market leader. It is a story of commitment and leadership that has reaped the rewards of embracing change.

Introduction

We are living in an era where the pace of change is increasing at a phenomenal rate. As a result the modern organisation does not have the luxury of standing still, even for a moment. Rapidly increasing customer sophistication and expectations, global markets and mind boggling new technologies are among the forces that are driving today's dynamic business environment. Therefore the ability to change has become a survival issue, however the ability to change to achieve excellence is a success issue.

For a company to ignore change is questionable because they do so at their own peril. Right or wrong global changes are altering the meaning of business and therefore the shape and characteristics of companies that carry it out. Consequently the ability to manage change effectively and efficiently is fast becoming the key competitive advantage for the new millennium.

Striving for service excellence has also become a powerhouse in an ever increasing competitive environment. A company that can achieve excellence is on to a winning strategy, that can ensure loyal customers, growth and insulation from competitive forces. It is also a key element for attaining a sustainable competitive advantage.

Despite the logic there are few companies that have managed to successfully combine these two concepts of change and service excellence. Whether this is due to time constraints, inadequate resources or a lack of courage is irrelevant because if they continue to sit on the fence their future in the twenty first century will be far from certain.

This study attempts to identify just how one successful Irish company has managed the changes that have led it to become the market leader in their industry. In terms of an objective it is *to determine how a company manages activities towards achieving service excellence*. In order to fulfil this objective three main steps were undertaken: the first was to conduct a comprehensive literature search on the area of managing change and service

excellence. The second was to determine an appropriate research methodology for the primary research and the third step was to analyse the findings in order to produce a comprehensive case study.

Structure of Thesis

Chapter One: Managing Change

The chapter on managing change begins with a review of the literature on the theoretical foundations of change management and the schools of thought from which it first emerged. It highlights what the main approaches to change management are: the planned and the emergent approach. The forces for change that are now being faced by modern business are then discussed. The chapter then begins to focus on how change effects the individuals within an organisation, including areas such as: resistance, managerial roles, leadership, teams and concludes by discussing the cultural requirements of a company that can make change the norm.

Chapter Two: Service Excellence

This chapter begins with a discussion on the importance of the service sector to Irish industry and how the theory on services marketing actually emerged. It then gives a definition of services followed by a section highlighting the importance of service excellence to the success of a company. The service profit chain is then discussed as it examines the important elements in actually determining service excellence. Two of the service cycles are then reviewed, as they were deemed important for highlighting the transition that the company under study has made. Finally this chapter looks at two other elements that have been selected as important when it comes to the goal of service excellence: leadership and benchmarking.

Chapter Three: Research Methodology

This chapter outlines the methodology that was followed in order to conduct the primary research for the study. It begins with a brief discussion of the two major approaches that can be taken: the quantitative or qualitative approach. It then proceeds to justify why the qualitative approach was

selected as most appropriate for the purposes of this study. In particular it focuses of the case study approach to qualitative research. It is in this section of the thesis that the objective and propositions for the study are revealed. It is also here that the data collection methods, sampling, analysis and quality control are handled.

Chapter Four: Analysis

This chapter has the important task of highlighting to the reader what are the findings of the primary research. This chapter is laid out in the following format: the proposition is stated followed by the theoretical background from which the proposition has arisen. The practice of the company in relation to the proposition is then recounted followed by the researcher's conclusions about the findings.

Chapter Five: Conclusions and Recommendations

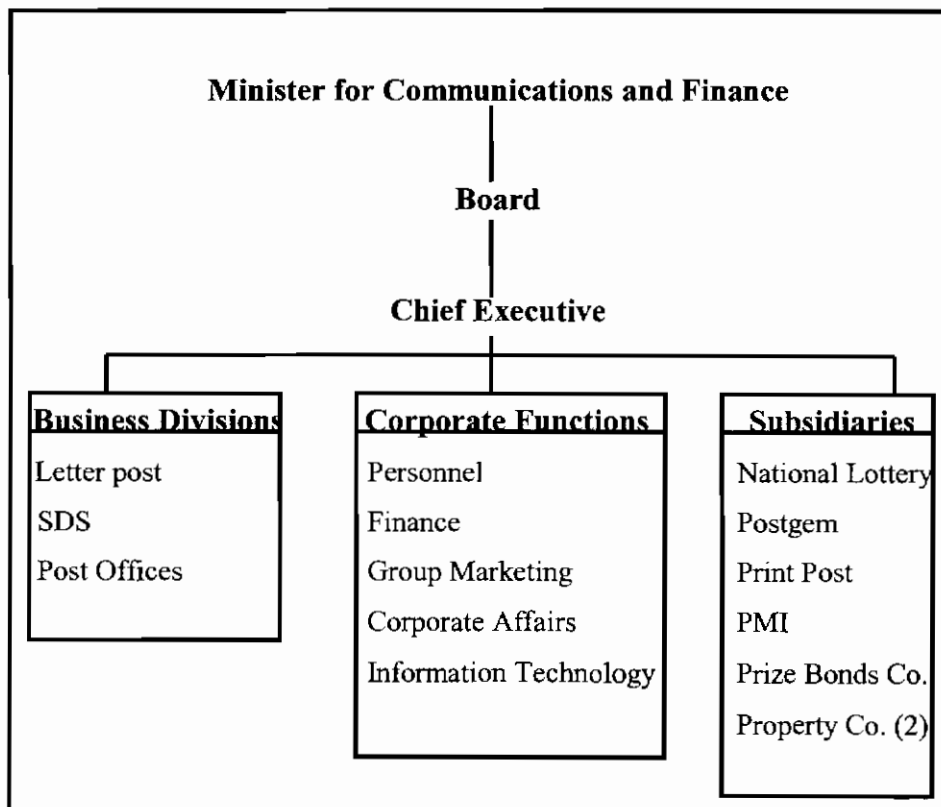
The final chapter briefly highlights the areas in which SDS excelled when it came to change management. The findings are presented in a model format, and the question of the possibility of the model's use for other companies who are determined to change is posed. Finally the chapter ends by suggesting further areas for research, that the author feels would be beneficial having conducted this study.

SDS – An Introduction

An Post pronounced Un Pust from the Gaelic for postal service is Ireland's national postal operator. It was established in 1984, as a State owned corporate entity with a commercial mandate. The group of companies owned by An Post offer both physical mails and electronic communication services, along with other related services to both residential and business customers the length and breadth of Ireland. The An Post mission statement is to provide the country with:

- Postal and electronic communication services
- Post office services
- Parcels, courier and light freight services, and
- National Lottery services

Corporate Overview



There are three business divisions incorporated into the structure of An Post, a number of key corporate functions and seven autonomous subsidiary

companies. The An Post group sustains Ireland's largest retail network and most comprehensive physical distribution network, thus ensuring the delivery of over two million pieces of mail every working day. It is one of the country's largest employers with over eight thousand people working twenty four hours a day three hundred and sixty four days of the year.

In the late eighties faced with increasing competition and substantial losses a decision had to be made regarding the parcel distribution section of the group. The choice was to either close the parcel section or put resources into creating a reliable parcel distribution service. The decision taken resulted in the birth of Special Distribution Services (SDS) in 1990. SDS is an autonomous business division, whose mandate is to provide competitive and reliable parcel and courier delivery services.

SDS provides nationwide and worldwide parcel delivery and courier services. The turnover of the company represents eleven percent of the total An Post turnover. In recent years SDS has achieved the ISO 9000 and Q Mark which helps to enhance the SDS commitment to quality. All items handled by SDS are barcoded as part of the track and trace system, which allows customers to know the whereabouts of their package at any point during delivery. SDS currently employs over five hundred staff and has the largest transport fleet in the Irish courier/parcel industry.

SDS maintains alliances with a number of international networks and couriers in order to ensure the quality of its international distribution. It also flies its own dedicated aircraft to Britain every night. Having these resources and links ensures that SDS is able to offer its services to over two hundred countries. The company's catchy slogan is:

“We deliver your promise”

Chapter One

Change Management

1.0 Change Management

1.1 Introduction

The theory and literature relating to managing change is very broad and has emerged from a variety of diverse social science disciplines. Therefore it is the intention of the author in compiling this particular review of the literature to provide for the reader a concise and meaningful map of the theory on change that is relevant to this study as a whole. The following chapter explores the various models of change that have emerged from the most prominent schools of thought from which change theory has emerged. It also focuses on the effects of and reaction to change within the different levels of an organisation. An in-depth exploration into resistance to change is also conducted and finally guidelines for physically and psychologically preparing an organisation for change to deal effectively with change are examined.

The ability to handle change effectively has become an increasingly important skill. It is not the case that change is a new concept, as in truth man has had to cope with change since the beginning of time, however what is new is the rate at which change is occurring. In the current business climate, change is a phenomenon that continues to increase on a daily basis. Therefore understanding how change effects the individual and the organisation is the first step in developing an effective change strategy.

1.2 Theoretical Foundations

According to Burnes (1996), any attempt to map the origins of change management is made difficult for a variety of reasons, the main one being that change management has emerged from a number of different social science disciplines and traditions. As a result it cannot be described as 'a distinct discipline with rigid and clearly defined boundaries'(p.173). Burnes highlights the three main schools of thought from which change management theory is thought to have evolved. These are;

- The Individual Perspective School
- The Group Dynamics School
- The Open Systems School

1.21 The Individual Perspective School: There are two main supporters of this school, the Behaviourists and the Gestalt-field psychologists. Both of these schools differ greatly in their interpretations. The Behaviourists on one hand believe that an individual's behaviour emerges as a result of their interaction with the environment. While the latter suggests that this is only part of the scenario and that in fact an individual's behaviour is a product of the environment and of reason.

The Behaviourists believe that all behaviour is actually learned, and that the individual is a passive organism, constantly receiving external and objective data. As a result of this, they also assert that individual behaviour can be manipulated by rewarding desired activities, the principle being that 'human actions are conditioned by their expected consequences'(p.174). Altering the external stimuli that act on the individual, therefore, changes behaviour.

To the Gestalt-Field theorists, 'learning is a process of gaining or changing insights, outlooks, expectations or thought patterns' (p.174). Therefore they maintain that behaviour is not simply a by-product of the environment, but rather a result of an individual's reasoned interpretation of these external stimuli. In order to change behaviour individuals must change their understanding of themselves, and the current organisational situation.

Both trains of thought in the individual perspective school have been very influential in the change management process. Indeed a number of authors advise that they should be used in tandem. This has come about due to the current belief that using both external stimuli and internal reflection is a more effective way to bring about a change in behaviour.

1.22 The Group Dynamics School: In relation to change theory the group dynamics school has the longest history. According to Bernstein (1968), the main reasoning behind this particular school is that organisational change is brought about by teams or groups rather than by the individual who is constrained by the group pressures placed upon them. Lewin (1958) suggests that the reason for this is that within an organisation, individuals work in groups, and as a result, individual behaviours will be determined by the dominant group norms and practices. Consequently, organisations should concentrate on changing the group's norms and values.

However, despite the importance that is placed on groups by this particular school there are others, including those that advocate the *open systems* school that believe a more effective approach is that which considers the organisation as a whole.

1.23 The Open Systems School: As has already been mentioned, this school advocates looking at change in terms of the organisation as a whole. The organisation in their view is a composition of interconnected sub-systems. As the name suggests the school does not view the organisation in isolation, it is composed of 'open' systems, and therefore changes in one system will effect the others. Organisations are open in two respects, (p.177):

- First, they are open to, and therefore, interact with their external environment.
- Second, they are open internally: the various sub-systems interact with each other.

Miller 1967 maintains that there are four main organisational sub-systems;

- **The organisation goals and values sub-system:** This comprises the organisation's stated objectives and the values it wishes to promote in order to attain them. To operate effectively, the organisation has to ensure that its

goals and values are compatible not only with each other, but also with its external and internal environments.

- **The technical sub-system:** This is the specific combination of knowledge, techniques and technologies which an organisation requires in order to function. Once again, the concern here is with the compatibility and appropriateness of these in relation to an organisation's particular circumstances.
- **The psychological sub-system:** This is also variously referred to as organisational climate and organisational culture. In essence, it is the fabric of role relationships, values and norms that binds people together and makes them citizens of a particular miniature society (the organisation). It is influenced by an organisation's environments, history and employees, as well as its tasks, technology and structures. If the psychosocial sub-system is weak, fragmented or inappropriate, then instead of binding the organisation together, it may have the opposite effect.
- **The managerial sub-system:** This spans the entire organisation. It is responsible for relating an organisation to its environment, setting goals, determining values, developing comprehensive strategic and operational plans, designing structure and establishing control processes. It is this sub-system that has the responsibility for consciously directing an organisation and ensuring that it attains its objectives. If the managerial sub-system fails, so does the rest of the organisation.

According to Burnes (1996), while each school may see itself as being the most effective, they are not by definition actually in conflict or competition. In fact he suggests that there is an argument for them to be used as complementary approaches. And while the actual practice of change management will be influenced by the particular school of thought that is followed, it is generally

accepted that there are two approaches to change management that can be adopted by an organisation: a planned approach or an emergent approach to organisational change.

1.3 The Planned Approach

For the past fifty years or so the planned approach has been at the forefront of change management, both in theory and practice. The planned approach describes organisational change as a movement from one fixed state to another through a series of pre-planned steps. In general the literature on the planned approach has originated from the practice of organisational development. Within this field many theorists have put forward various models of change management, however, most agree that any of these models can be related back to three more basic models that were developed by the aforementioned Kurt Lewin. The three models are;

- The Action Research model
- The Three-Step model
- The Phase of Planned Change model

According to Burnes (1996, p.180) 'Action research is based on the proposition that an effective approach to solving organisational problems must involve rational, systematic analysis of the issues in questions'. Action research is described as a learning process, which usually involves the participation of three distinct groups, the first being the organisation, represented by one or more senior managers, the second is called the subject, representing the people who will be affected by the change, and the third is the change agent.

The three groups are involved in a cyclical process, which initially involves the change agent providing the tools necessary for investigation based on his/her own understanding of the problem at hand. A further understanding of the problem is then contributed by the organisation. Then all the data is offered for

the consideration of the subject. The information is continually examined and altered and passed back and forth between the parties until a consensus is reached and a hypothesis and a resulting course of action have been developed.

Action research has had a large number of advocates over the years, however, there are a number of conditions necessary for its successful implementation. Firstly, there has to be a strong commitment and co-operation from both organisation and the subject of the change. There must be what is described as a 'felt need' by both parties, meaning that the parties involved must view the change as being necessary and also any anxieties about the change must be overcome. Despite these conditions, as has already been stated action research is well regarded when it comes to change management, however, it did not stop its developer from trying to improve on this particular model.

In 1958 Lewin suggested that for a change project to be successful, it must involve three steps;

1. Unfreezing the present level.
2. Moving to the new level.
3. Refreezing the new level.

The reasoning behind this model is that a changed performance is quite often only short lived and therefore the change should be defined by not only the achievement of the new performance level but also the permanence of this performance level. From Lewin's point of view an individual or group must first discard the old (unfreeze the present), which may involve a re-education process. Then they move to a new level, which often involves the examination of many alternatives, until the selection of the most appropriate can be made and the necessary action can be taken to move the group to a more desirable level. The final step in the model is refreezing, which involves stabilising the organisation at the new performance level and ensuring that individuals and

groups do not find themselves in situations where they start to regress. However while it is considered that the Three-Step process gives an understanding of the change process, the steps involved are quite broad and as a result there are those who felt that they should be further developed in order to increase the practical use of this approach.

The third model was developed based on an elaboration of Lewin's Three-Step model and involves a number of additional steps or phases. While different authors added their own phases, each having their own rationale, the model below describes the four-phase model developed by Bullock and Batten in 1985. Their model was developed after an examination of over thirty previously developed models of planned change. They describe planned change in terms of two main dimensions: 'change phases, which are distinct states an organisation moves through as it undertakes planned change; and change processes, which are the methods used to move an organisation from one state to another'(p.183). The change phases identified and defined by the above authors are, (p.184):

1. **Exploration phase.** In this state an organisation has to explore and decide whether it wants to make specific changes in its operations and, if so, commit resources to planning the changes. The change process involved in this phase are: becoming aware of the need for change; searching for outside assistance (a consultant/facilitator) to assist with planning and implementing the changes; and establishing a contract with the consultant which defined each party's responsibilities.
2. **Planning Phase.** Once the consultant and the organisation have established the organisation's problem or concern, the planning begins. The change processes involved in this are: collecting information in order to establish a correct diagnosis of the problem; establishing change goals and designing the appropriate actions to achieve these goals and getting key decision makers to approve and support the proposed changes.

3. **Action phase.** In this state, an organisation implements the changes derived from the planning. The change processes involved are designed to move the organisation from its current state to a desired future state, and include: establishing appropriate arrangements to manage the change process; gaining support for the actions to be taken; evaluating the implementation activities, and finally feed back the results so that any necessary adjustments or refinements can be made.
4. **Integration phase.** This state commences once the changes have been successfully implemented. It is concerned with consolidating and stabilising the changes so that they become part of an organisation's normal, everyday operation and do not require special arrangements or encouragement to maintain them. The change process involved are: reinforcing new behaviours through feedback and reward systems and gradually decreasing reliance on the consultant; diffusing the successful aspects of the change process throughout the organisation; and, training managers and employees to monitor the changes constantly and seek to improve upon them.

Bullock and Batten 1995 have deemed this model appropriate for most change situations and is comprised of the key aspects of many different change models. More importantly it highlights the differences between the processes of change and the phases of change.

However, one of the most prominent writers on the topic of change management James Brian Quinn would disagree with the basis for models developed by Lewin. He rejects the idea that the management of change can be simply broken into three discrete and identifiable steps, such as, unfreezing, moving to a new level and then refreezing. Instead he advocates an approach known as 'logical incrementalism'. Such incremental change could not be described as radical or 'big bang', rather it involves small changes that are made on an on-going basis. Quinn (1980, p.68) suggests, that while there is no one successful formula for

managing change incrementally, (mainly because of individual organisational differences) there are a number of broad steps which can be followed. Below is a summary of those steps:

Creating Awareness and Commitment Incrementally: Many companies make use of formal environmental scanning techniques to detect factors or events that may require the company to change. However, it is also true that many of these issues initially arise as vague notions or feelings held by individuals within the company. In some cases people may feel that there are gaps in their present behaviour that will have to be closed in order to ensure future survival. Similarly, it may well be the case that some sort of crisis hits the company and immediate action must be taken to deal with it. The immediacy of the action according to Quinn (1980, p.69) is very important because ‘if organisations wait until signals reach amplitudes high enough to be sensed by formal measurement systems, smooth, efficient transitions may be impossible’.

Need Sensing: Leading the Formal Information System: An effective change manager will actively set about developing informal information networks. S/he will involve anybody who could be affected by change or indeed anybody who is in a position to give useful input to the process, including, executives, frontline staff, suppliers, outside professionals and so on. To ensure that intermediate managers do not feel that they are being undercut, this phase is used purely for information gathering. This type of activity has its advantages, in that it helps to improve communications and motivates frontline employees, who are delighted to be able to give their ideas to the company. And because individuals ‘sift signals about threats and opportunities through perceptual screens defined by their own values’ it means that the information that is received has emerged from a broad range of angles(p.69).

Amplifying Understanding and Awareness: Managers do not want to be caught out as supporters of losing ideas and for this reason, they will not accept the first satisfactory solution that comes along. Instead, they will consult colleagues who have some knowledge of the issues and also their ramifications. They can also 'selectively tap the collective wit of their organisation, generating more awareness of the critical issues and forcing initial thinking down to lower levels to achieve greater involvement'(p.70). It is really only when enough information has been gathered and people are on board and ready to make a solution work that a manager will make the final decision to go with the idea. Building this awareness is a vital step in the process of managing basic changes.

Changing Symbols: Building Credibility: Managers may want to signal to the organisation that certain changes will be forthcoming, especially as the awareness for the need for change grows. In order to do this some executives undertake highly visible actions that can build more credibility for the strategy, than mere words. An example would be a company signalling to its workforce that it is prepared to spend the necessary money to make the changes happen.

Legitimising New Viewpoints: This involves lending a bit more credibility to the new options which have been acknowledged as possibilities, but which still have a certain amount of uncertainty associated with them. Options, which are similar to those undertaken before, are more likely to be preferred as there is less risk associated with them, in comparison to the risk associated with the new alternatives. To prevent this sort of bias, managers may organise some slack time in work so that the implications of the newer solutions can be discussed and understood. As a result, it is often the case that options which were strongly resisted at first, gain support with the passage of time, as long as people are not pushed too hard and fast from the top.

Tactical Shifts and Partial Solutions: At this stage while there is a fairly clear vision of the direction that the organisation will move, it is far from being

complete. It is more likely that small changes will be introduced, that are only part of the overall change. The theory here is that changes that are implemented incrementally like this will be met with less resistance. Introducing changes incrementally means that the organisation can potentially shift in many different directions, this in turn means that managers cannot estimate the full nature of the strategic shifts and as such they must be ready to react to the different scenarios as they occur.

Broadening Political Support: In order to ensure the survival of a particular strategy, strong political support will be needed. In order to accomplish this, committees and task forces are used to lend their support and ensure that all new ideas do not end up in the garbage can. As well as giving their support, these committees can also help neutralise or overwhelm any opposition to the project and also improve the overall quality of the strategic decisions themselves.

Overcoming Opposition: 'Zones of Indifference' and 'No lose Situations': In order to introduce a new strategy, companies first have to deal with the support that the old strategy had. A direct attack on the old strategy could be interpreted as an attack on the individuals who nurtured it and brought the company to its current success levels. Therefore it is important to get these key people behind the new strategy so as to neutralise opposition. Alternatively it may be possible to locate a zone of indifference, where changes will not encounter any serious opposition. The main aim of this phase is to create a 'no lose' situation, that will motivate all the important players towards attaining a common goal.

Structuring Flexibility: It is impossible for managers to predict and control all the events involved in a major change process. Therefore, the need to create flexibility is paramount, as is the need to have resources ready to deploy incrementally as events demand. Quick access to resources is important, as they

may be required to offset a sudden attack from opponents or to build momentum for new strategic shifts.

Systematic Waiting and Trial Concepts: Even if the organisation is ready and prepared to undertake the change process, they may have to wait for certain events (which are out of their control) to occur before they can go ahead. For example they may have to wait for a new piece of legislation to come into action or commencement of the process may be dependent on a new technological advancement. During this stage they may also test a few different concepts on a trial basis in order to generate a concrete proposal.

Solidifying Progress – Incrementally: As the process progresses, management begins to develop a clearer picture of the direction in which the company can and should move. While it is not written in stone, managers can use this information to gain more aggressive movement and commitment to the process. At this stage any unanswered questions should be resolved and significant resources will have to be formally committed.

Creating Pockets of Commitment: At this stage management may have to actively implant support for the new strategy. To do this they often encourage the initiation of a number of exploratory projects that are undertaken by employees at lower levels. By doing this, the organisation achieves involvement and early commitment, without focussing completely on any one alternative. As clear winners emerge, people on those teams become even more committed and develop as pockets of support for new strategies. Identifying the best solutions also gives management the opportunity to blend in all individual projects into the total strategy, and this again will help to limit the opposition to the new strategy.

Formalising Commitment by Empowering Champions: When the time is right and the new strategy starts to take on a life of its own, management will

want to ensure that there is an individual or group, that feels responsible for the success of the process. Often it is the case that the champion is an individual or group of people whose futures depend on the success of the change. Management for their part has to supply the appropriate budgets and reward systems and even more importantly they must ensure that recruiting and staffing plans are aligned with the new goals.

Continuing the Dynamics by Eroding Consensus: The major strategic changes that Quinn examined tended to take place over a number of years, highlighting the fact that the change process is continuous, and in many cases it is without any clear beginning or end. The decision processes involved are constantly refined and modified according to the different stages in the process. Of utmost importance is to ensure that arrival at a new consensus does not become finite or inflexible, and the reality that change is a continuous process is ingrained in organisational thinking and belief.

1.4 The Emergent Approach

The second approach to change called the Emergent Approach began to gain recognition in the 1980's and is described in Burnes (1996, p.170) as starting 'from the assumption that change is a continuous open-ended and unpredictable process of aligning and realigning an organisation to its changing environment'. Those who advocate the emergent approach believe that this type of approach is more suited to a situation where firms are now operating in an ever more turbulent environment. Successful change based on the emergent approach is viewed as having an understanding of the many complex issues involved. Consequently using this understanding to identify the range of available options rather than focussing on detailed plans and projections.

The challenge lies not with an individual expert but rather it is becoming an increasingly important role in every manager's job. It is also extremely

important that the organisation be able to scan both the internal and external environment, including such factors as markets and customers, shareholders, legal requirements, the economy, suppliers, technology and social trends. In order to respond to external changes the emergent approach suggests the organisation must 'promote extensive and deep understanding of strategy, structure, systems, people, style and culture, how these can function either as sources of inertia that block change, or alternatively as levers to encourage an effective change process'. (Dawson 1994, Pettigrew and Whipp 1993, Watson 1992).

As a result of these requirements there has been a change of focus, involving the adoption of a 'bottom up' rather than a 'top down' approach to managing change. The rationale behind this being, that it would be impossible for a small number of managers to keep up with the current pace of change within the environment. Obviously this approach has meant a radical change in the role of top managers, instead of controlling they must now encourage all organisation members to become receptive to and take charge of change. The success of this initiative according to Pettigrew and Whipp (1993), is dependent on;

1. The extent to which key players in the organisation are prepared to champion environment assessment techniques that increase openness.
2. The degree to which assessment occurs and how successfully it is integrated with central business operations.
3. The extent to which environmental pressures are recognised, and
4. The structural and cultural characteristics of the organisation.

While the emergent approach would reject the idea that there is a universal model of change it does suggest that there are a number of factors which will promote or destroy the success of a change project. These factors include organisational structures, cultures, and learning and managerial behaviour.

Organisational Structure: The right organisational structure is an essential element for achieving change. Throughout the nineties there has been a greater move towards developing a more flattened organisational structure by devolving more control from the top and sharing more of the responsibility. The reason for this approach is the drive to become more customer focussed. According to Burnes (1996, p.190) organisations must learn to 'respond rapidly to changing conditions by breaking down internal barriers, disseminating knowledge and developing synergy across functions'.

Organisation Culture: Clarke (1994) states that in order to achieve change you must first understand the culture of the organisation that is facing change. It is generally accepted that changes that go against the traditional beliefs and norms of an organisation will be a lot more difficult to plant in an organisation's culture. Changes that effect the organisation's culture will have to be strongly reinforced to prevent regression to past behaviours.

While some who advocate the emergent approach believe that in order to sustain change the appropriate organisation culture must be present, there are also those such as Beer et al (1996) who believe the best way to maintain change is not by influencing culture but by restructuring organisations. This essentially means that people are exposed to new cultures with new roles, responsibilities and relationships placed on them.

Organisational Learning: Perhaps the best way to ensure that there is a willingness to change is to promote the fact that there is no other option. Some such as Wilson 1992 suggest that creating dissatisfaction with current practices is a sure way to communicate the need for change. Effective organisational learning requires that there is good top-down communication and that everybody within an organisation holds a common vision and shared ownership of the problems at hand.

Managerial Learning: Without doubt the role of the manager in the traditional organisation is one of control: controlling staff, information and resources. However for the future, in order to be effective, managers will have to take on a different role. Instead of controlling they will have to facilitate and support employees to do the best job possible. The above four issues will be dealt with in greater detail in the remainder of the chapter.

Again there are those who would disagree with this approach, or at least disagree with certain elements of it, Kotter (1995) for example. On first inspection, one would think that Kotter advocated the participative approach to change that both Quinn and the emergent approach suggest, however on closer inspection it becomes clear that in Kotter's opinion all propositions for change should come from management, and that it is the ordinary employees' job to follow their instructions. The emphasis is shifted back to management and their leadership, therefore the task of recognising the need for change falls back to them. The following approach to change is suggested by Kotter (1995, p.59):

Establishing a Sense of Urgency: Most change proposals arise as a result of an unsatisfactory competitive position, market position, technological trends, or financial performance. However, whatever the cause there is a universal need for management to communicate this information quickly and dramatically, especially with respect to a crisis or a good opportunity. Unfortunately with the companies Kotter has looked at, over fifty percent failed at this first stage, either because management neglected to drive people out of their comfort zones, or they have lacked the patience to ensure that everybody was on board before they moved on to the next phase. If management cannot get people motivated then the change effort will go nowhere. It is for this reason that management may initiate a crisis in order to create the required sense of urgency. In order to avoid serious problems later on in the process, Kotter believes that you need to convince at least seventy five percent of management that current business practices are unacceptable.

Forming a Powerful Guiding Coalition: While the change program may be initiated by just one or two people it is important that coalitions grow as the program progresses, indeed if a minimum mass is not achieved early on in the effort, then the effort will not succeed. Unlike Quinn who would advocate the use of individuals from all levels to form the coalition, Kotter suggest that membership should be based on power: power in terms of titles, information and expertise, reputations and relationships. Failure at this stage is usually attributed to the fact that there has been no history of teamwork at the top and if the coalition is not powerful enough sooner or later the opposition will gather momentum and stop the change.

Creating a Vision: The guiding coalition must then develop a picture of a desired future state for the company. This vision must be easy to communicate and be of interest to customers, stockholders and employees. Without an effective vision, change programs can 'easily dissolve into a list of confusing and incompatible projects that can take the organisation in the wrong direction or nowhere at all' (Kotter, 1995 p.63). In failed transformations, you will often find a lot of plans, directives and programs but no sound vision.

Communicate the Vision: Three very common patterns emerge when it comes to communicating a vision. The first is that the coalition develops a good transformation vision and then proceeds to communicate it on a one off occasion. In the second situation, the head of the organisation spends a good length of time communicating the vision in speeches to the various employee groups, but they still do not understand it, because such speeches only represent about 0.0005 percent of yearly communications. The third pattern arises despite the fact that considerable effort is taken to communicate the vision through newsletters and speeches, however, visible senior executives are still behaving in ways that do not correspond to the new strategy. In effect they have failed to 'walk the talk'. The result unfortunately if communications are not credible, is that 'the hearts and minds of the troops are never captured' (Kotter 1995, p.63).

Empowering others to Act on the Vision: It is up to the guiding coalition to empower people so that they can take action. In many cases this involves removing obstacles that are blocking them from doing so. Such obstacles can include, the organisational structure, narrow job categories or performance appraisal systems which sometimes make people choose between their own self interest and the new vision. Probably the biggest obstacle again, is managers who pay lip service to the process who but do not actually change their behaviours.

Planning for and Creating Short-Term Wins: Transformation efforts take time. Therefore it is necessary to provide the opportunity for short-term wins so as to keep people motivated. This can be done by setting up short term goals, that can be met and celebrated and which form part of the overall change process. While many managers complain about having to produce short-term wins, Kotter feels that they are an important part of the change process as they help to keep up urgency levels and also help in clarifying or revising the vision.

Consolidate Improvements and Produce still more Changes: While celebrating short term wins is a good idea, it is important that managers do not declare victory too soon. Not until changes have sunk deeply into the company culture, can the manager afford to rest. Changes that are declared too soon inevitably if indeed slowly disappear. Instead of declaring victory, leaders of successful efforts should use the credibility achieved through short term wins to tackle even bigger problems.

Institutionalising New Approaches: For changes to stick they must become anchored in the company's corporate culture. To prevent degradation, changes must become the norm. To help achieve this the coalition should ensure two things: firstly a conscious attempt should be made to ensure that all organisation members can see and identify with the benefits that the transformation has brought to them. If they are left to make these links themselves they may very

well end up at the wrong conclusion. Secondly measures need to be taken to ensure that the next generation of top management personifies the new approach. If this is not the case a decade or more of hard work could be lost.

1.5 A Changing World – The Forces of Change

‘Changes in the environment, act as forces that drive the company toward change’

Kleiner and Corrigan (1989, p.27)

It has become apparent to managers and academics alike that in fact ‘the only constant is change’ (Carnall, 1997 p. 51) and that we are now facing a situation where the ability to change is a key indicator for success. One of the main reasons that change has become such a powerhouse in the world of management is the increasing sophistication of consumers. According to Joynson (1997, p.11) since the nineteen sixties customers not only want, but also have come to expect ‘good design, reliability and above all choice, all thrown in for free’, making the lives of those who have to meet these expectations increasingly difficult.

Beddowes and Wille (1990), point out that as direct result of these kind of pressures and many more, the nineties as was the case in the eighties are fast proving to be a time, when companies must concentrate on developing cost cutting plans and downsizing. Unfortunately, in many cases by rationalising employment. In fact more often than not, companies are not thinking of becoming leaders but instead are merely concentrating on survival in what can only be described as an increasingly difficult business environment.

Walley (1995, p.15) believes that the forces that are ‘causing transformations in the Irish and global economy and society are a combination of changing values

and lifestyles, new technologies, globalisation and other workplace innovations'. Each of these factors must be understood and accounted for by any business hoping to survive into the twenty first century.

1.51 Values and Lifestyles: The changes that have been taking place in the economy and society is as a direct result of changes that have occurred in the values and lifestyles of people all over the world. Indeed according to Drucker (1995, p.185) 'no century in human history has experienced so many social transformations and such radical ones as the twentieth century'. These changes have brought about a demand for new types of products and services and the need for change in the nature and organisation of work. A number of factors have contributed to the changes in lifestyles and values, that have taken place over the last twenty years, these include the facts that:

1. People are better off
2. People are more individualised
3. Attitudes to work are changing
4. Leisure is more important
5. Educational levels are rising
6. Population structures are changing
7. The workforce is ageing
8. Environmental awareness is growing
9. Health is improving
10. Family structures are changing
11. More women, less men in paid employment

1.52 Technology and Change – The New Revolution: The world is in the midst of a technological revolution. The core technologies which have been with us since the industrial revolution are now being replaced at an alarming rate, by new technologies which are rapidly changing the world as we once knew it. Technologies which will fundamentally change the nature of work and the

structure of society in the twenty first century are now on our doorstep. These new technologies include:

1. Information and Communications Technologies
2. Bio Technology
3. ECO Technologies
4. Space Technology
5. Energy Technology
6. New Materials Technologies

Walley believes that the application of these technologies will alter society even more fundamentally than the industrial revolution. Indeed organisations and societies that can grasp and use these technologies will survive and prosper, while those who cannot will be marginalised and decline, trapped trying to sustain themselves in the past.

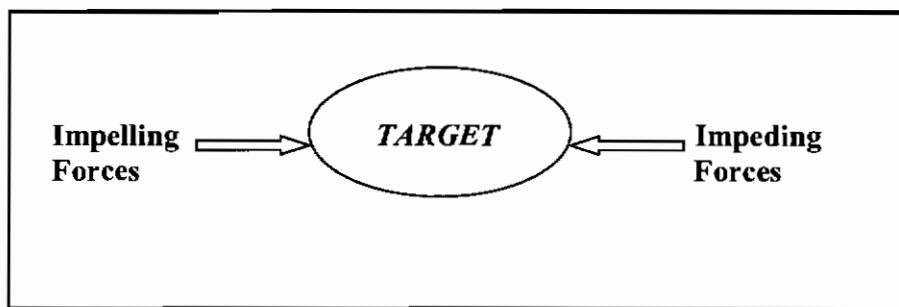
1.53 Globalisation – A New World Emerging: Globalisation is described by Walley (1995, p.52) as a ‘growing inter-connectiveness of societies and the economies of the world’. He feels that it will, more than likely, be a central feature of the next century, effecting cultures, trade, work, and the organisation of society. Globalisation has been used to describe a number of trends in the world development, including:

1. The increasing integration of the economies and cultures of the world
2. The growing size and power of multinational companies
3. The rising economic capacity of the economies of the developing countries

While the growing markets of developing countries present challenges to Ireland, they also offer huge opportunities for Irish business, if it has the ability to change and adopt to these new global trends.

All forces will not effect all companies, therefore, there are techniques available that can be used in order to get a clearer picture of those that are of particular concern and that require a company to make changes. Schell (1991, p.29) draws from Lewin's theory advocates the use of a technique called force field analysis, to determine the impelling forces for change (the driving forces) and the impeding forces (the restraining forces) which restrict change. The relative strength and number of these two forces will eventually determine whether the target or goal of the change process can actually be achieved.

Fig.1.1 Forces Impelling and Impeding Progress Towards a Target



Source: Schell, C. (1991) 'Action Planning: A Programmed Approach for Managing Change' Leadership and Organisation Development Journal Vol.12, No.1 p.28-32.

Force field analysis has proven to be a useful tool for managers to promote change. In many cases it allows them to develop a decision framework for future strategies based on a force field analysis of their current situation. The purpose of this type of analysis is to;

- Identify and classify impelling or impeding forces.
- Strengthen impelling forces
- Weaken or remove impeding forces

Schell feels that in order to make a proper assessment of what exactly will be involved in advancing along the path to goal or target fulfilment it is necessary

to conduct a number of additional steps. After first recognising both types of forces it is then appropriate to;

- Classify them, and
- Determine their relative importance

After identifying what the forces are, the second step is to classify them, this is done in order to determine how it may be possible to reduce the impeding forces. To do this it is necessary to find out more about their nature and their importance and as a result establish a method for weakening them. Similarly, it will also be the goal of management to strengthen the driving forces for change, in the eyes of employees and in doing so reinforce the need for change, for their own good and the overall good of the company. It is also possible that some forces are more important than others in relation to change, and therefore it may be more worthwhile to focus on altering these particular forces.

The important thing to keep in mind is that there is always a solution and as Nielson, Saccoman and Nykodyn (1995), point out, that as long as the need for an organisation has not died, it has the chance to change or evolve. As new needs evolve, if the organisation is flexible enough, it will have the ability to prosper and survive. However, if it does not possess this flexibility the result may well be human conflict that will require some kind of revolution to eradicate it. Or according to Lloyd and Trompena (1993) it may be a worst case scenario, where the law of requisite variety kicks in, and the system dies because it did not have the flexibility in it, to match that of the environment.

1.6 Vision – The Starting Point

Much of the literature on change would argue that a vision is required in order to develop an effective change strategy. Additionally the vision should in fact always be the starting point. Critchley (1996, p.50) defines a vision as something which should, 'articulate the desired future state and forms the basis for alignment between the organisation and its members, followed by a diagnosis of the problems which need to be overcome in order to reach the desired goals leading to some kind of change plan.'

Another important feature of the vision, suggested by Kotter (1995) is that it should go beyond the boundaries of the figures that are normally found in a five-year plan. Instead if the vision is to be effective, it should say something about the direction in which the organisation should be moving. It is also, according to Hall (1991), essential that the vision be communicated consistently and continually, as the real significance of it can really only be seen when people begin to talk about it as their own. Cultures that effectively support change and the achievement of visions can be identified by a commitment to urgency, relevance and excellence.

However, Critchley (1996, p.50) feels that while starting with a vision is the change strategy that is adopted by many, there are in fact four major flaws or problems associated with it:

1. It encourages a top-down linear way of thinking about change, and it assumes that the outcomes of the change programme are predictable, and that change can therefore be 'managed'.
2. It tends to exclude the majority of the organisation members from participating in the shape of the vision.

3. In treating a vision as a desired future state that has to be reached it assumes a fixed, idealised quality. Idealised states are, of course, unattainable while the vision may have inspired some people at the outset, when it becomes apparent that it is not being reached, people become disillusioned and depressed.
4. The 'vision' by this time is immortalised in company statements. Enshrined in the company folklore through countless presentations, cannot be abandoned, and efforts are redoubled to reach it. It is of course part of the present paradigm that to modify or abandon the vision would be perceived as failing or giving up, or would appear seriously indecisive. Hence, senior management becomes heavily invested in maintaining it and proclaiming its necessity for organisational survival in the future.

Unfortunately as Spencer (1997, p.16) points out 'there is no scientific approach to help management facing change and only a fool would think that there is.' So whether one leads with a vision or not depends on the individual organisation's intuition. The key however, according to Woods (1981, p.12) is communications and a realisation that 'Change does not happen overnight nor without the support of people.' He also suggests that if you examine any really successful company, you will find that it is driven by a group of enthusiastic, self-confident team players.

1.7 Resistance to Change

‘We define resistance here as any conduct that serves to maintain the status quo in the face of pressure to alter the status quo’

Zaltman and Duncan (1997, p.63)

As has already been mentioned, in today’s society the only constant is change. However people will, understandably, want to hang on to what is familiar and known for as long as possible and therefore resistance to change is a common occurrence. Honey (1988), points out that while some changes will of course be welcomed, on the whole change is associated with negative connotations both from those implementing it and those who will be affected by it. It has long been the case that change has meant redundancies and unemployment for many, however, as Muir (1985) points out, it can often be the case that a reorganisation will not result in surpluses, it may in fact just change the way things are done. However, even planned change that would hope to ‘anticipate and match new market opportunities’ may result in some redundancies (p.18). The important thing is to keep employees informed of the situation. It may also be possible to re-educate them with the relevant skills and reposition them in different jobs within the organisation. Employee attitudes are of vital importance and consulting them is key to economic survival regardless of whether the company employs five or five thousand people.

Resistance may be seen in many different forms. O’ Connor (1993) defines resistance in terms of four factors, whether it is covert or overt, unconscious or conscious. If resistance is covert, the reluctance to support the change is either undefined or concealed. Covert resistance is difficult to manage, as it is possible that the resisters will avoid detection, while silently undermining projects that they view as rewarding others. Their underpinning justification is that that they are protecting themselves and their own interests. The problem here for

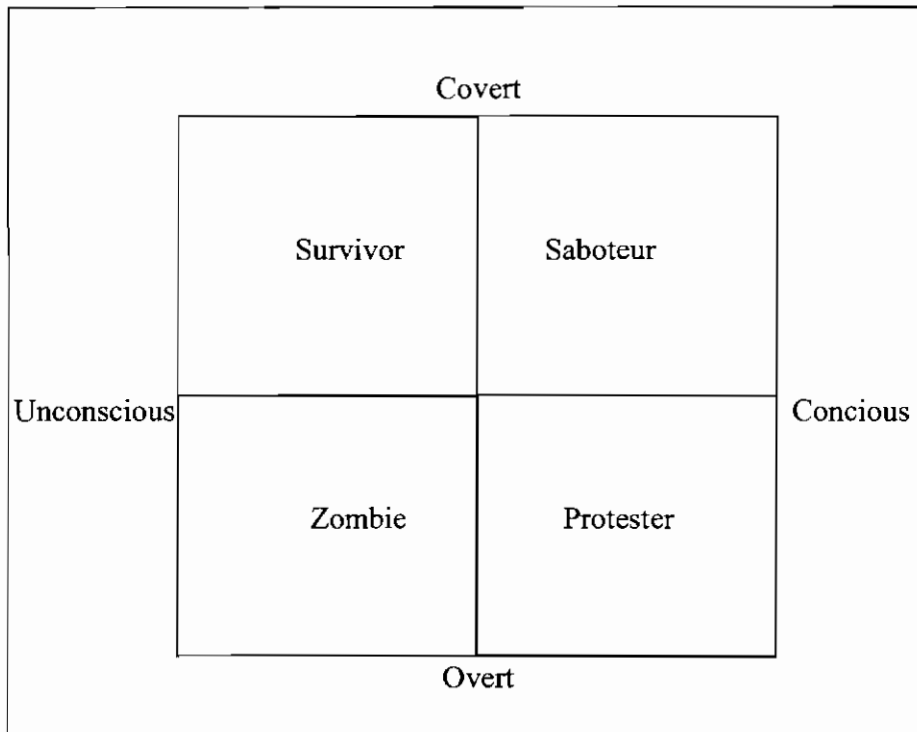
managers, is that they often only discover this type of resistance when it is too late.

Overt resisters on the other hand express their reasons for resistance openly and are quite happy to discuss their misgivings with the change initiators. In this situation while the open debate may result in some form of conflict, it is easier for management to cope with this than with covert resistance. This type of openness allows managers to 'work directly with the situation towards resolving it' (p.32).

Unconscious and conscious resistance, refer to the motivation for resistance. When the motivation stems from the unconscious, individuals do not actually realise that their actions are hindering the change process. According to O'Connor (1993, p.32) 'their actions are based on wrong information, poor training or deeply ingrained habits from previously set work routines'. The real difficulty for managers here lies in the fact that unconscious resisters actually see themselves as being totally innocent of any such resistance.

Conscious resisters also pose a serious challenge as they have arrived at this position after actually considering the change. In some cases they may be misinformed or even self-serving, however it is important that they are listened to, if not, it is likely that the resistance will only grow. The author presents these four extremes of resistance in terms of a matrix, which in turn forms a quadrant, which categorises the four types of behaviour (p.32 –33).

Fig. 1.2 Resistance Quadrants



Source: O' Connor, C. (1993) 'Resistance: The Repercussions of Change' Leadership and Organisation Development Journal Vol.14, No.6 p.30-36.

Covert and Conscious: The Saboteur – These type of resistors undermine change while pretending to support it. Some are motivated simply by a wish to minimise disruption and discomfort. They believe that by verbally supporting the change and then doing nothing the initiative will go away. They are others who have a more sinister motive. These individuals intend to sabotage the company or an individual's plans for their own gain.

Covert and Unconscious: The Survivor – These resistors do not realise that they are undermining change. They often do not know that they are failing to meet targets or even understand the implications of their behaviour. Their activities are undetected because higher profile projects screen or mask them. They simply soldier on, getting the job done in the way they know how to do it. When their lack of adoption is discovered, they are as surprised and

disappointed as anyone in management. They often feel they are doing a good job and feel discouraged by the wasted effort.

Overt and Unconscious: The Zombie – These resisters are an extreme case of the survivor. They are so accustomed to acting in a certain way that they seem unable to change. While they verbally agree to do all that is asked of them, they neither have the will or the ability to create the change. Gradually and openly, they revert to their former patterns of behaviour. While they realise that they are not doing what they agreed to do, they mysteriously do not regard this as resistance. They are simply avoiding the change until they are reminded once again that they must alter their behaviour.

Overt and Conscious: The Protester – These resisters believe that their refusal to change makes a positive contribution to the company. An alternative title given by some managers to this extreme group would be 'pain in the neck'. Protester resisters never seem to rest when pointing out the failings of a change. On the positive side, they serve to protect company tradition and discourage rash or sudden change. On balance, these are the easiest and certainly the most interesting kind of resisters to manage. Their resistance is not only open, but they are able to discuss their position clearly and rationally.

Honey (1988, p.14) suggests that there are four main reasons behind the human resistance to change, these are;

1. ***Parochial self-interest*** – One major reason people resist change is that they think they will lose something of value as a result. In these cases people focus on their own best interests and not on those of the organisation as a whole.
2. ***Misunderstanding and lack of trust*** – People also resist change when they do not understand its implications and perceive that it might cost them more than they will gain. Misunderstandings and distorted perceptions often

occur when trust is lacking between the initiators of the change and people on the receiving end of it.

3. ***Different Assessments*** – Another common reason people resist change is that they assess the situation differently from the initiators of the change. Managers, for example, often assume they have all the relevant information required to conduct an adequate assessment of the need for change. They also tend to assume, conveniently, that those who will be affected by the change have the same information. It is rare for either assumption to be correct. The differences in information inevitably lead to different assessments.
4. ***Low tolerance for change*** – People also resist change because they fear that they will not be able to cope in new, unfamiliar circumstances. Even when people intellectually accept the need for change, they sometimes are emotionally unable to make the adjustment. People with low tolerance for change therefore tend to fight hard to maintain the status quo, often without being able to articulate their reasons for doing so.

Coghlan (1993) highlights Watson's 1969 suggestion that within the personality itself there are also nine sources of resistance to change, these being;

- Homeostasis – the body's in-built regulating mechanism towards wholeness and stability.
- Habit – whereby the familiar or routine is preferred.
- Primacy – the way the individual first successfully coped and to which pattern the individual tends to return.
- Selective perception and retention – once attitudes have been formed the individual responds to other suggestions from the framework of an established outlook.

- Dependence – the effect of socialisation and adoption towards an innovative or custodial response.
- Illusion of impotence – feeling of helplessness or victim, perhaps through cognitive distortion.
- Superego – Freudian concept of repressive constraints and taboos that set standards for the self.
- Self-distrust – cognitive distortion of self-guilt.
- Insecurity and regression – nostalgic hanging on to the past.

According to Bryant (1979, p.11) the level of resistance experienced is linked to the kind of change that is being suggested, he asserts that resistance will be less:

- If participants in any project see the change as reducing rather than increasing their current burdens.
- If the project accords with the values and ideas which have long been acknowledged by the participants.
- If the programme offers the kind of new experience that interests participants.
- If the participants feel that, their autonomy and security is not threatened.

Bryant also feels that the resistance will vary according to the procedures that are used to actually bring about the change, according to him resistance will be less, p.11;

- If participants have joined in diagnostic efforts leading to change on what the basic problem is and to feel its importance.
- If the project is adopted by consensus following group discussions.
- If the parties involved can see both sides of the question and recognise valid objections and take steps to relieve unnecessary fears.
- If it is recognised that innovations are likely to be misunderstood and misinterpreted, and if provision is made for feedback of views on the project and any further clarification.
- If participants can begin to develop acceptance of each other and experience support, trust and confidence in their relations with one another.

- If the project is kept open to revision and reconsideration if experience indicates that a change in direction or emphasis would be desirable.

The type of response which is evoked by the change, will be dependent on a number of factors, including, the level of ambiguity associated with it, the amount of control that the individual feels they have over the change, the trust that has been placed in the change initiators and the degree of intensity of search behaviour.

Irwin and Langham (1966, p.78) believe that change should be approached in tandem from two angles, the logical and the psychological. The logical here refers to the calculation of all the 'facts, forecasts, alternatives and practical advantages and disadvantages' of the particular situation. The psychological perspective on the other hand is required 'in order to gain acceptance of the change with a minimum of resistance' Bryant (1979, p.15) suggest that there are four main strategies which help to overcome resistance. These are to;

1. **Negotiate** – If resistance stems from parochial self-interest, i.e. people are going to lose something of value as a result of the change, then, the best strategy is to negotiate by offering incentives to the resisters or potential resisters.
2. **Educate** – If the resistance stems from misunderstanding or lack of trust, i.e. people through ignorance imagine they are going to lose something of value as a result of the change, then the best strategy is to educate by communicating the reasons for, and benefits of, the change. An education programme works best where there is a good relationship between the initiators and resisters, otherwise the latter may not believe what they hear.
3. **Participate** – If the resistance stems from different assessments i.e. people have different perceptions of the changes that are necessary, then the best

strategy is to involve the resistors, or potential resistors, in some form of participative programme. Involving others makes very good sense, when the initiators of change recognise that they do not have all the information and/or that they need the wholehearted support of others to design and implement the change. Considerable research has shown that participation leads to commitment, not just compliance.

4. ***Force and support*** – If the resistance stems from a low tolerance for change, i.e. people are fearful that they will not be able to cope, then the best strategy is to force the change through and support and reinforce the resultant new behaviours.

1.8 Effects on Staff

Darcy and Kleiner (1991) believe that the job of managing change in essence involves managing people through change. In order to do this effectively, it is essential that managers are sensitive to the emotions of the individuals who are faced with change. A prerequisite for this being that the managers themselves be positively orientated toward the upcoming change in order to display the effective leadership necessary for such transition.

According to Allen and Thatcher (1995, p15) the problem from the employees point of view is that they are sick and tired of 'flavour of the month' attempts to help improve their positions, and unfortunately as far as they are concerned they have seen it all before. The end result of this type of attitude is that the employees in question will not have an affinity and sense of ownership of the changes that need to take place. This sort of situation is bad news because as Woods (1981) points out, the change process in question will not be effective if the above scenario is the case. However, according to Kotter (1995, p.63) this sort of situation is only to be expected as it is natural that 'employees will not

make sacrifices, even if they are unhappy with the 'status quo' unless they believe that beneficial change is possible.

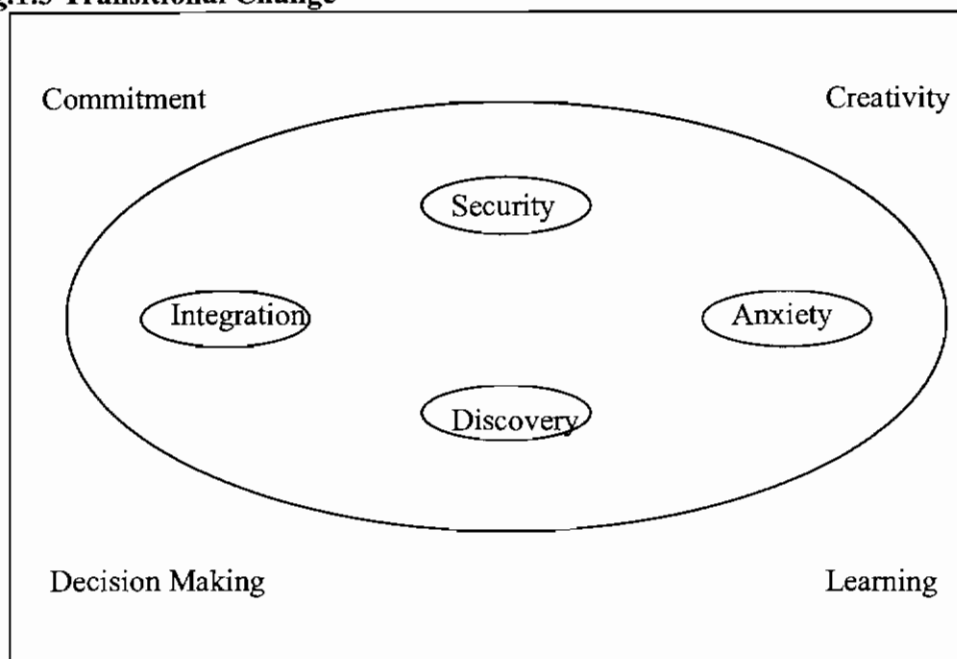
On the other hand the problem from a management point of view is that too often 'the primary focus of the general nature of change dimension is on broad universal proportions of change, not on change as it effects individuals'. (Burke, Church and Waclovski 1993, p.5) One reason for this, Kotter (1995) suggests is that managers have been underestimating exactly just how difficult it is to break people out of their comfort zones. It is a fact of life that if there is no motivation, people will not be inclined to help, the result being that the change effort will go nowhere. The best way Brown (1997) believes to tackle this sort of apathy is by actually empowering the workforce with the skills necessary to take charge of the change themselves, thus creating the required sense of ownership and helping to overcome resistance to change.

1.81 The Individual Change Transition Model

French and Delahaye (1996) have developed a new model which details the phases that an individual goes through when faced with change. The model that they propose involves four phases;

1. Security
2. Anxiety
3. Discovery
4. Integration

Fig.1.3 Transitional Change



Source: French, E. and Delahaye, B. (1996) 'Individual Change Transition: Moving in Circles can be Good for You' Leadership and Organisation Development Journal Vol.17, No.7 p.22-28.

This particular model begins with the individual in a pre-change mode, which is referred to as the security phase. This phase is defined by habits and patterns and a certain familiarity of procedures that have led to success in the past. However while our habits and patterns offer us comfort and security they prevent flexibility and hinder company chances of long term success. While

security may seem like the ideal state to individuals, too much security can be detrimental to both the individual and the company. From the individuals point of view it may cause boredom and dissatisfaction and from the company's perspective it prevents the creativity and experimentation that are needed to survive in an evolving marketplace.

Creativity is the first propellant that the individual encounters, and this acts as a trigger to move them from the old to the new. As has already been mentioned individuals begin their journey of change from a safe and secure position, however the change being undertaken challenges the basis for these old securities. This new beginning as it is often described starts with an idea, a 'creative idea for change' (p.24). So it is only when an individual accepts and embraces the new idea that they can begin to move along the path to full integration.

Getting people to adopt new ideas will in general have a destabilising effect on work patterns and will result in a certain degree of anxiety. The loss of old familiar patterns and processes is what brings on this sense of anxiety. The levels of anxiety can differ from individual to individual and 'feelings range from mild confusion and self doubt, to anger, panic and even feelings of numbness and immobilisation' (p.24).

Trying to ignore the existence of this phase will only heighten the levels of anxiety and gravely effect the success of the change project, as people will tend to try and return to the security phase. It is through learning, which is the second propellant that an individual moves away from the anxiety phase of the change process. In order to reduce the time spent in the anxiety phase it is a good idea to increase the factors such as learning which strengthen the process. Again encouraging driving forces, while overcoming restraining forces helps to overcome resistance and will move people from anxiety to the third phase, that is new discoveries.

During the third phase of the model called discovery, new information, skills and behaviour are uncovered. The extent to which workers are empowered is important here, as this phase involves exploration and more learning from which new values and beliefs are formed. These beliefs and values then form the basis on which new strategies and behaviours are developed. Being receptive to new ways of learning is important as it can help to accelerate the change process and without this ability it can become impossible to get through the transition.

The third propellant which is decision making, offers perhaps what is the only constant associated with change, in that it gives you choices. These choices can include, selecting goals and strategies, and undertaking all the requirements of the change process or it may be the choice to ignore the need for change altogether. Decision making, moves the individual from the discovery phase to the integration phase and finally leads to a new security phase. Ultimately decision making is the 'choosing of selected learnings and matching these with goals and objectives in order to shift understanding and alter behaviour' (p.26).

The fourth phase, the integration phase is referred to as the action phase of the change transition. It is during this phase that the new skills and behaviours are used to develop the new processes and practices, in essence new behaviours are integrated into new processes. It is also at this stage that new behaviours are evaluated, and while some will be adopted there are those that will be rejected. This evaluation is in fact also a precursor for building commitment to new processes before they are implemented. As a commitment to new processes is built and becomes stronger, a new form of security and understanding is also nurtured.

Finally, the transition is complete and new behaviours have been adopted while the old have been discarded. However, what is important about this model is that the changes have been brought about not by compliance but by commitment and belief. By using this model to actually understand change, you can increase

your picture of the individual change transition and as result, learn how to manage change more effectively.

Irwin and Langran (1966, p.78) suggest another way to involve people in change and thereby increasing the chances of a successful change transition. The authors believe involving people in change should involve top management as the motivators of middle management and middle management being the motivators of the general workforce. However, in order for this to work, each group must first understand the hierarchy of needs of the group that they are to motivate, in order to stimulate you must first know what will be responded to.

The approach that is taken in terms of the appeal to be offered is important, as offering people what they already have will not motivate them to change. This theory which is based on Maslow's hierarchy stresses that it is important that the appeal is targeted towards higher needs, those that fall into the area of 'security, social interaction, and recognition and dignity'(p.78). More specifically for the groups involved (p.78);

1. ***Non managerial employees*** – for these people participation should be structured to provide a broader range of skills, greater knowledge of the total corporate situation, more responsibility and more group involvement with others throughout the company.
2. ***Supervisory and middle managers*** – In the case of this group, the approach just described is not enough. Motivation should be directed to higher, unsatisfied needs by providing an environment where the supervisors can achieve greater influence upwards and downwards, be key implementers and communicators and participate to a far greater extent in management.

3. **Top management** – People at this level must be appealed to, not on the grounds of satisfying personal needs so much as benefiting others, society in general or a future generation.

In addition to ensuring that individuals are guided through the change process there are also according to Irwin and Langham (1966, p.76) some additional human factors that will influence the success of the process, these include;

- Willingness of top executives to devote substantial time to the process.
- Commitment of top management to long range profit planning
- Recognition by top management of the normal human reaction to resist change and the consequent need to adopt a strategy designed to overcome reaction.
- Achieving a tolerable balance in top management between administrative and innovative types.

The importance of taking all of the above factors into account cannot be stressed enough, as Burke, Church and Waclovski (1993) point out it is now a common occurrence that people are dealing with change on a daily basis. However Irwin and Langham (1966 p.76) believe that 'the flaw in the reasoning of many people is that they think of change as final rather than continuing'. Change has become an inherent part of the modern organisation's experience and therefore the management of change, including the individual's transition is at the crux of organisational success and survival.

Dealing with change is not a once off occurrence. In fact as Darcy and Kleiner (1991) point out, it is often the case that relatively new patterns of behaviour have only just begun to stabilise, when a new call for change is announced. This of course highlights the very nature of change, and emphasises the need for it to be ingrained with employees as continuous and nothing out of the ordinary. Change itself represents the 'overthrowing of tradition and the laying aside of

patterned ways of living and working together'. And the reality is that 'changes both large and small, simple and complex, dominate and define today's business environment'.(p.12)

1.9 The Managers Role

'The Manager who can achieve significant change has a bright future'

Boddy (1993 p.22)

Atkinson (1994), takes this quote a step further and asserts that companies that will survive in the 21st century will be those that give their managers the freedom and capability to create and drive change. Most organisations are now experiencing periods of relative stability which appear to be getting shorter, and which are being punctuated by short periods of turbulence that are becoming a lot more frequent. It is against this backdrop that Critchley (1996) believes, managers are now working. As a result of this, and in order to survive the turbulence, Boddy (1993) suggests organisations must now continually change what they do and how they do it.

However, according to Muir (1985, p.16) many managers are not taking their roles seriously enough and in fact, the downfall of many organisations is that managers initially failed to 'react to the need for change' and as a result they were unable to meet the new challenges facing them. While it is not up to the manager to take on the entire change project (indeed it may often be the case that they need not be involved at all) they must show and offer total support to those that are taking it on.

As is the case with individuals and groups, managers themselves may also resist change, Kotter (1995, p.65) suggests a number of reasons for this, including the facts that they;

- Did not believe the company needed major change.
- Felt personally threatened by all the change
- Were afraid that they could not produce both change and the expected operating profit.

However, managers who respond in this fashion will not last very long in the current business environment. Indeed Darcy and Kleiner (1991, p.16) suggest that organisations that have the easiest change transitions are those that both 'encourage change and reward innovation'. As a result change is seen as an integral part of both the corporate structure and thinking. Therefore it is the role of the manager to actually lead his/her people by example. The successful manager will, according to Woods (1981), instil his workforce with a 'pleasant optimistic outlook' while an ineffective one, leaves workers with an outlook of 'pessimism and eventual stress'.

An important task of management is to overcome resistance in the various ranks. French and Delahaye (1996 p.23) cite Kanter (1985) who suggests 'meshing any changes with familiar processes and habits to reduce the difference effect of change thus ensuring a smooth transition phase'. There are also a number of general strategies that are available to managers to aid in this process. According to Seddon (1997, p.16) there are three approaches to change that can be taken in any human system ;

1. Coercion
2. Rational
3. Normative/re-educative

While coercion may prove useful as a tactic, it will more than likely result in 'dysfunctional behaviour' where people will actually begin to hide things through fear. A much more common approach is the rational one, for example people try training as a means of change. However a common problem with

training is that the new ideas that are promoted are rejected by the receiving system's culture. The function of change is to change the way things are currently being done, i.e. to change the system, however training alone will not do this. Training usually amounts to projects on the side of an inappropriate system. Despite this, training does have its place in change management, it is a good strategy which can be used on the already converted. Unfortunately, many managers are not part of the converted, they still perceive management the way they have been taught to understand management, 'they are prisoners of their current culture' (p.16).

By definition normative strategies attempt to change the way people think by changing their norms. In order to do this it is essential that people understand why their current practices are no longer appropriate, to understand this requires a knowledge of what is actually wrong with the entire system. This involves a diagnosis of each organisational unit to see what is actually going on.

As Kotter (1995, p.59) points out any change process will go through a number of phases, and it is important that each stage be carried out fully as 'skipping steps creates only the illusion of speed and never produces a satisfying result'. It is therefore important that managers sustain 'the impetus to ensure that the change process is carried through' (Allen and Thatcher 1995, p.16).

'One must first fully understand what is, before all alternatives of what may be are revealed'

Critchley (1996, p.49)

Critchley (1996, p.49) believes that the problem for many companies is that they only apply improvement techniques, when it comes to tackling fundamental change, as a result they end up merely coming up with more of the same 'including more work and more stress'. To prevent this happening it is

important that, managers examine their current system 'warts and all' in order to come up with some points of leverage from which to start developing strategies.

There are five areas that Seddon (1997, p.21) feels serve as a good reference point from which to start the diagnosis;

1. What matters to our customers?
2. What is our capability at each point of transition with customers?
3. What can we learn about the process(es) which deliver our current capability?
4. What are the system conditions which impact process performance?
5. How does management thinking drive the system?

In reality it is often the case that managers will look anywhere rather than their own systems to figure out what to do. However, by asking these questions and more importantly answering them serves as a great source of learning, and leads to a situation where managers see the connection between their thinking and the company performance, making them more inclined to change.

1.10 Leadership for Change

‘Change leaders package learning to further the needs and desires of those around them’

Lloyd and Feigen (1997, p.27)

Kleiner and Corrigan (1989), point out that the firms that have been successful, are distinguished from those that are not, by their executive leadership. Leaders in successful firms are ‘proactive in recognising the need for change as a necessity for survival’ (p.25) and equally as important they have a vision and the courage to act to make it happen. Burke and Church (1993, p.3) cite Katz and Kahn (1978) who say that in order to lead change you must understand change at both the individual and group levels, this in turn allows managers to comprehend the effect that change will have on the entire organisation. Or as Joynson (1997, p7) suggests when he highlights the Chinese general Sun Tsu theory, that it is up to the leader to provide a ‘moral cause for his people to fight for’.

Organisations that are facing change have two options when it comes to selecting a leader, either they look internally or they contract somebody externally. Leaders selected for the function of change management are generally referred to in the literature as change agents. According to Seddon (1997), the function of the change agent is to provide a picture for management so that they can see a better way to do things, and as such the change agent operates as a catalyst. Furthermore, whether an internal or external agent or both are chosen, Potter (1989) points out that a key ability for any change agent is to be able to detach themselves from their own interpretations of the world and suspend themselves in the other persons.

Atkinson (1985) suggests that it is often the case today, that many of the large organisations employ personnel specialists to manage the movement from the

present 'how we do things now' to the future 'how we will do things better'. However, it is as equally a common occurrence that the management of change falls to office managers or supervisors, the problem here being that these people may not possess the training, confidence or expertise to do the job effectively.

Obviously, there are many advantages to using an internal person to manage the change process, for example, they possess 'organisational knowledge relating to the structure, organisational culture, departmental and work groups and management responsibilities etc.' (Atkinson 1985, p.14). However, there are also disadvantages, mainly regarding the internal practitioners 'subjectivity, bias and dependence for future career and promotion prospects' (p.14). These disadvantages mean that it may well be impossible for the internal agent to detach him/herself from the situation in order to carry out his/her work effectively and with discretion.

Also since the internal practitioner is working within his/her own system, s/he has to deal not only with the same obstacles as the extern but also with others that are politically driven or those which could be potentially career driven. Accountability for the internal is also greater, while the extern can move on to the next job, the internal must live with the consequences for a long time. To sum up externals have the opportunity to walk away while their internal counterparts do not.

According to Burke and Church (1993) organisations that employ external consultants to aid the change process obviously have cultures which are very open and are willing to try new things. Similarly, exposing themselves for the examination by an external requires a degree of flexibility. Some organisations are of the point of view that external agents can provide a new and fresh way of looking at things. Another advantage of the extern is that they are not directly tied to the politics of the organisation. However on the downside this limited

sense of accountability which the extern has may colour his/her perceptions or experiences with the organisation.

External agents have developed the necessary skills and have also experienced different change projects in a variety of cultures and structures. It is also possible for them to demonstrate more objectivity than their internal counterparts. However, as with the internal agent, externals also have their downside, in that it often takes them a long time to become familiar with the organisation's practices, policy and philosophies. Obviously the effectiveness of an intervention strategy will also be dependent on the relationship between the consultant, (the external agent) and the client, (the company). Some authors go further in their criticism of external change agents such as French and Bell (1990) who are cited by Saccoman and Nykodyn (1995, p.35). They believe that organisational change can only be brought about from within the organisation and that externals such as consultants only play a secondary role in bringing about major changes.

Due to the pros and cons of each alternative, the ideal situation according to Burke and Church (1993, p.7) would be a collaborative approach, between the internal agent 'who navigates the cultural nuances and possesses critical insights as well as key contacts and the external agent who possesses greater objectivity, risk taking ability and a degree of distance from the current situation'. This relationship allows for the strengths of both parties to work together in order to enhance the change process. Or as Atkinson (1983, p.14) puts it the ideal situation is one of 'mutual understanding of the problem through shared commitment and involvement' as this may well be a key to effective change.

1.11 The Team Approach

Atkinson (1994, p.14) believes that in order to change organisations, individuals have to break out of their comfort zones. Outdated patterns of thinking and behaviour have to be challenged and replaced by more positive ones. The future of change will be dependent on the 'power and ability to change relationships and how people work together as team players'.

The team approach, which was first suggested by the group dynamics school has begun to gain recognition as possibly the most effective way to influence and implement changes within an organisation. In adopting the team approach a more synergistic learning environment is developed, it also maximises knowledge and the creation of ideas. Using a team approach is also politically acceptable for most companies. This approach is highly participative in nature and involves managers, supervisors and most importantly those individuals that will be most affected by the change.

In many situations it may be more viable for teams to be developed on a temporary basis, to take into account the need for different people at different stages in the change process, or when going from project to project. It is felt that this type of approach to change results in a 'clear-way for change and encourages an environment of mutual understanding, involvement, participation and commitment'. It also helps to combat resistance that is more often than not a by-product of any change process. However, the applicability of the participative team approach for every organisation must also be questioned as its effectiveness will be dependent on a number of factors such as, the size and type of organisation, the culture, managerial structure, trade unions, etc.

Irrespective of the particular approach taken, the successful manager or managers of change possess characteristics that set them apart from the crowd. It is their skills and experience that make them the catalysts that make things

happen. In order to do this they must have the necessary 'attitudes, skills and knowledge and experience to develop an objective overview of the problem, and create decisions that work in the long term' (p.14). S/he must also be able to harness enthusiasm and grasp opportunities in order to determine the sources of resistance and alter attitudes in order to promote a healthy and effective company.

Just as teams work differently to individuals, they will also react differently to change in terms of their approach to resistance. Coghlan (1994 p.18) believes that any articles that have been published on the topic of resistance to change have tended to be somewhat deficient, in that they have mainly dealt with the individual in isolation from the group within which they operate. Unfortunately as Allen and Thatcher 1995 highlight, traditional reward structures have also tended to focus on rewarding individuals for their own success and unfortunately not for working with others to achieve the same goals. However it is now becoming clear that working together consistently in teams is the only way to deliver continual customer satisfaction. Of course a prerequisite to this team behaviour is that managers treat their staff, the way they want their staff to treat their customers.

The isolation of the individual would appear to be a major mistake as membership with an organisation normally involves participation in groups or teams. This participation can take on a number of forms (Coghlan 1994, p.18):

- Face to face working teams in the formal structures of the organisation.
- Committees or temporary task forces.
- A professional association or trade union.
- Informal groups of colleagues and peers with whom individuals associate and which help shape perceptions and attitudes.

Again Coghlan (1994) stresses that groups will in fact react differently to change than the isolated individual. When a team forms and stays together for a period of time they eventually settle into a pattern of thinking, behaving and relating and because of this teams will also resist change based on the group 'conformity to norms, systematic and cultural coherence' (p.18).

Zaltman and Duncan (1977) highlight five ways in which teams can function to resist change;

1. **Team Solidarity** – This can bind members together in a way that resists a change that would break up a team or affect the relationship within it. The evidence connecting team cohesiveness to the likelihood of resistance is mixed. Some studies found that more cohesive teams react more favourably to change, provided that it does not threaten to break up the team, while non-cohesive teams are very threatened because they do not have a framework for mutual support. On the other hand, cohesive teams can be very resistant because of the close identification among the members.
2. **Rejection of outsiders** – When there is a high degree of in-group identification, change, which is initiated from outside the team is resisted.
3. **Conformity to norms** – As already described above, a group's norms and culture may be so deeply embedded that change threatens its stability and is incompatible with these norms and so is resisted.
4. **Conflict** – In an intergroup conflict situation what is accepted by one group may be rejected automatically by other groups.
5. **Team insight** – If a group or team has not participated in any team building, formal or informal, which has helped to create a sense of group or team, its

members may lack the ability to reflect on what is happening and have no collective frame of reference with which to evaluate a proposed change.

In 1966 Lewin conducted a major research study, which examined how groups or teams approached and handled change. One of his major findings was that change was more successful and effective when the members of the group themselves made the decision to change their behaviour, rather than when they were exposed to the interventions of an outsider.

Similarly, the chances of change are increased if the group members experience a 'strong sense of belonging' (Coghlan, 1994, p.20) to the group. Again in relation to change the more important the group is to its members, the more influence the group can have over its members when it comes to accepting or rejecting the change. If the change in question attempts to change the norms and beliefs of individual group members or indeed subgroups it is very likely that it will be met by a lot of resistance.

Lippit (1993) believes that a group's capacity to change will be determined by the degree to which:

1. Its members explore problem solving alternatives.
2. Its members are team oriented rather than self oriented.
3. Repetitiveness per se is outweighed by critical and appropriately frequent evaluation .
4. Concern for immediate performance and production is counterbalanced by a longer – range perspective.
5. There are attempts by members to learn how to change as well as attempts to discover what specifically needs to be changed to meet current demands.
6. Failure (frequently accompanying experimentation) is both expected and met by continued support for those involved in continued experimentation.

Understanding how change works and how it does not requires an understanding of how individuals react to change and how groups and teams function and deal with change. Skills at understanding and facilitating groups and teams are essential for the management of change, in order to use these teams to move change through the organisation. Joynson (1997) stresses that it is important not to underestimate the power of a team. In the top Japanese companies today everybody is working together to fight against the competition, they are all focussed and pushing in the same direction. Teamwork pulls together a large pool of knowledge to produce often, brilliant solutions to what may have seemed the most impossible problems. It also has the power to build huge motivation, far stronger than that achieved through mere cash incentives. However, it is only with the commitment of others, that this will be possible, as change cannot be created in isolation. In a perfect world change should be welcomed and perceived as an opportunity by employees, an opportunity to take responsibility and be part of creating their own futures.

Duck (1993) takes the idea of using the team to take changes a step further. Duck refutes approaches to change, that break the process into small pieces and manages the pieces in isolation, instead she believes that the task is to manage the dynamic not the pieces. In order to do this she advocates the use of what she terms a Transition Management Team (TMT). The TMT is not simply another layer of bureaucracy or a job for fading managers, rather it is a steering committee designed to guide those actually doing the work in the organisation. The TMT can be regarded as the grand overseer of a major change effort, it is composed of eight to twelve highly talented leaders who give all their time to making the transition a reality and it ensures that all the change initiatives fit together. The TMT has responsibility for eight primary tasks, however it should not be held solely accountable for fulfilling these tasks. Briefly these tasks are to:

Establish context for change and provide guidance: When the strategic vision has been established, it is up to the TMT to ensure that employees at all levels in the organisation understand the vision and share a common goal. They do this by organising discussions throughout the organisation so that individuals and teams can align their activities with the new overall direction of the company.

Stimulate conversation: Unfortunately in most older and larger organisations there is little if any communication across functions as each department operates in isolation. This lack of communication is made worse when resources are scarce and conversation becomes a luxury. The problem is that a large percentage of change projects are about moving information across old and obsolete boundaries. Therefore an important part of the TMT's job is to make sure that early conversations take place between the different parts of the company, as these discussions usually result in the most productive outcomes.

Provide appropriate resources: The TMT has two types of important power, the first is to distribute the resources (including budgets, time, and effective leadership) necessary to make the change happen and the second is the power to kill any projects that are no longer relevant.

Co-ordinate and align projects: As a company begins to tackle fast paced change projects, task forces, projects and teams proliferate, and while this creates great enthusiasm and energy, it also creates confusion. As a result of this the TMT has two tasks, the first is 'co-ordinating and aligning the projects into building blocks which fit together' (p.118). Secondly they have to communicate these facts to the rest of the organisation so that everybody can grasp the bigger picture and see that there actually is a coherent plan.

Ensure congruence of messages, activities, policies and behaviours: Duck agrees with Kotter, that it is important that managers be prepared to set an example, as inconsistencies in behaviour undermine the credibility of the

program. The TMT must therefore ensure that the measures, messages, behaviours and rewards are all consistent and match goals set out in the vision for the organisation.

Provide opportunities for joint creation: As far as is possible the TMT should try to ensure that everybody from the directors to factory workers are empowered and have the appropriate information to take action to create their own future.

Anticipate, identify, and address people problems: It is generally recognised by all that are involved in the management of change that people issues are at the heart of change. For example changes that involves delayering or changing job descriptions will involve giving people advance notification and long lead times, anything less would result in strong opposition to the changes.

Prepare the critical mass: An important part of ensuring successful change is taking the time to design the work appropriately from the very start. The resources and strategy required for replication and learning transfer must be put in place. If the TMT can allow for these factors and ‘manage both the content and the process, the operations and the emotions, it provides a powerful lever for change’ (p.118).

1.12 Organisational Structure – A New Hierarchy

Organisational structure is an important element of facilitating change, it effects many areas, for example resistance, teamwork, and leadership. The ‘old style factory’ as described by Joynson (1997, p.11) viewed individuals as merely ‘hands’ that could be used to get the job done. However the modern organisation should view its employees as ‘complete human beings with brains that can be used to think, and feelings that can be harnessed for the good of the

company' (p.11). It has been the Japanese philosophy for a long time now that getting everybody committed to the company objectives is the only way to ensure long-term success.

The traditional organisation structure has been described as a pyramid with the MD at the top, managers in the middle and frontline employees at the bottom, with control and authority flowing in the same direction. However, this view of organisational structure is now slowly becoming a thing of the past. It is now being replaced by an inverted pyramid with customers taking over the top position, where they are now 'being delighted by a workforce who design and make the product or service just as the customer would like it to be'(p.11).

However Joynson (1997, p.18) believes that in many ways the 'macho culture' is still prevalent with the 'hard manager' still very much in control. However, both the present and future hold a different role for managers. Managers will have to take on a more supportive role in order to make the most of people's talents, they will also have to encourage and facilitate people instead of simply criticising and commanding them. Allen and Thatcher (1995, p.16-7) address the question that arises as to whether change is better driven from the top, or 'seeded lower down in the organisation where there is a real energy for things to be different.' Programs that flow like this 'develop a greater degree of ownership and will be more likely to stick', this however, is assuming that there is support from the top.

Managers must realise that it is not really in their power to directly satisfy customers and that in fact the only way for them to do it is indirectly by ensuring that employees have the resources and tools necessary to delight. Finally, while it is still up the MD to provide the direction for the company, s/he in reality will only achieve company goals by supporting both his/her managers and the workforce. While the idea of the inverted pyramid is not exactly new, it is still in its infancy where many companies are concerned, most companies are still

only toying with the idea and unfortunately in most cases the old rule still applies: 'Managers rule, OK'.

It is vital that in order to bring about such a radical change in organisational structure, there must be total commitment from the top or as it now seen the bottom. Most of the textbooks on change in the business environment will tell you that it is often the case that it can take up to five years to actually achieve change. However, Joynson (1997) would reject both Quinn and Kotter's idea that change takes a long time, he believes that this is far from being true and that in fact it can occur in just two days with the entire process being carried through in under nine months.

The trick he believes is to convince the workforce to alter their perceptions of the company and of themselves, by convincing them that 'they are the real experts' and that huge improvements can be made practically immediately without having to spend anything. It is more than likely that mistakes will be made, however, this must be viewed as an inevitable part of the learning process. The important thing is to stress that they have the ownership of the process and they will be given the support that they need in order to carry out the process.

As with individuals and teams, organisations themselves can also resist change. Arnold and Capella (1985, p.41) suggest that there are five categories of organisational resistance that can be identified:

1. ***Power and Territory.*** Many people resist encroachment on their power and influence in any form, whether from other employees or from organisational change. Since their authority and power is derived from their control of certain resources, information, or activities, changes involving introduction of the marketing concept often encounter resistance.

2. ***Organisational Structure.*** Rigid structures, such as narrowly defining jobs and spelling out the lines of authority, tend to be self-reinforcing and highly resistant to change. Change initiatives often get screened out, buried, or lost because they threaten the status quo.
3. ***Resource Limitations.*** As mentioned earlier, change can be expensive. Some organisations would like to change the status quo, but simply do not have the necessary resources.
4. ***Sunk Costs.*** Some organisations experience resistance to change because of sunk costs in terms of money and people. For example, they are locked into inefficient production facilities because they have much of their investment tied up in assets (land and buildings) that cannot be recovered. Senior employees who are not contributing to the organisation are also barriers to change.
5. ***Interorganisational Agreements.*** Proponents of change may find their plan delayed by commitment to suppliers, pledges to public officials in return for licences or permits, promises to contractors, and so on.

1.13 Culture

‘The culture of a company is like a prism through which management views the world’

Kleiner and Corrigan (1989, p.28)

According to Potter (1989), the concept of culture has been around for about 100 years. It first emerged in anthropological circles, surprisingly, the union of the ideas of culture and management change are not as new as one might have expected, indeed Jaques 1951 was doing so nearly fifty years ago. To a large extent culture is intangible in that it cannot be touched, seen, heard or measured, however, despite these characteristics its effects are very evident in any organisation.

Kleiner and Corrigan (1990, p.28) suggest that there are many studies which agree with the view that a company’s culture has a huge effect on the long-term performance of the company. Therefore having an understanding of the role of culture is an essential ingredient for the successful implementation of transformational change, and similarly according to Broen (1997, p.38) the process of change management should focus on ‘developing a change culture, methodology and approach, with measurable outputs viewed against effective, competitive standards.’ While there is no one correct culture that should be adopted for all enterprises, there is a general view that a company’s culture should (Kleiner and Corrigan 1990, p.28):

- Create and meet employee expectations
- Communicate desired values and beliefs.
- Promote interdependence and mutual trust and respect.
- Provide mentorship
- Sponsor advantages directives and philosophies and encourages individuals to share their efforts freely (Meares, 1986).

Hooper and Oliphant-Thompson (1992, p.29) suggest that prior to embarking on a change project it is essential to first define what exactly the company's culture is. Every company has its own unique culture which dictates patterns of behaviour, and different sets of values, or as it is often described culture defines the way things are done. According to Brown (1997), it is essential to ensure that change is made to the culture in order to make people feel that they are the masters of opportunity, rather than the victims. Ideally 'a culture of continuous evolutionary change' becomes the norm rather than a culture of 'sporadic revolutions, many of which fail'(p.38).

Hooper et al (1992, p.29) feel that it is an integral part of human nature to fear change. It does not make a difference if the current situation is unsatisfactory. At the first mention of change, people will cling to the present situation because it is what they know. Inevitably though, people must realise that change is a necessity, as it ensures that the world continues to evolve. Change if it is approached correctly can produce greater efficiency, financial rewards and a motivated and committed workforce.

Atkinson (1990, p.6) believes that in order to establish yourself as a 'world beater' and increase competitive advantage it is necessary to question everything that is done and investment in major cultural change is part of this. Companies that have led successful quests to achieve total quality are only too familiar with the need to create the right organisational culture. Creating the right culture involves changing the way people think about what they do, and laying the foundations for an environment of continuous improvement. Simply sticking to implementing quality systems alone will not do, as while they have their place, they are only the basic foundation on which the quality initiative can be built.

As has already been stated organisational culture tells us something about the way work is performed. It determines the way in which an organisation functions, it highlights what behaviours are acceptable and those that are not.

Whatever the culture of an organisation it will come about in one of two ways either it just evolves naturally or it exists through purposeful effort. If the latter is true then it means that organisations do in fact have the opportunity to create a culture that supports whatever goals it has at any particular time as opposed to merely letting it evolve by default.

However irrespective of how it has evolved there is no argument to the theory that every organisation has its own independent culture and whether it evolves through 'incident, neglect, or omission' it without doubt exists (p.6). However, the mistake that many companies make is that they do not explicitly state to their managers, workforce and customers what exactly their values and beliefs are, and as a result they fail to instil a sense of commitment and pride that would have been possible had they done so.

Perhaps culture can best be perceived as an iceberg with their tangible and observable signs and symbols above the water line. Then below it is the driving force behind culture and includes things like decision making, people's assumptions about how to do their work and the methods for achieving this and also management style.

In order to change the culture it may be necessary to alter the company's current culture and this may well be easier said than done. According to Hooper et al there are two ways to change organisational culture. The first is to actually tackle organisational values, thereby allowing individuals to actually comprehend the nature of the business they work in. The agent of change is often faced with the attitude that (p.29) 'its always been that way around here, and you'll never change it', however it is up to him/her to actually 'create a learning situation wherein the individual who is resisting change can understand for himself the values of the sub-structure that goes to make up the organisation. The second way involves physically changing people's behaviour, which can in fact be a lot more strenuous. In order to achieve this it may be necessary to

‘break long established vicious circles of negative beliefs and values leading to self-fulfilling negative action.’ (p.19). However this can be done by training and encouraging the workforce to operate in more positive ways.

In order to help with the process, there are also a number of rules or guidelines which can be followed when attempting to change an organisation’s culture with as little resistance as is possible;

1. Workers must be won over to your style of thinking.
2. Benefits which will come from change must be well publicised at all levels.
3. New ways of thinking should be encouraged.

The success of a change project will be largely dependent on the extent to which the workforce feel that they are a key part of the process. As part of the final stage of the process, workers should be introduced to an environment where ‘directors direct’ and not merely manage the change process ‘by encouraging new ideas and setting realistic goals and ambitions to be achieved’ (p.29).

The directors or drivers of change need to set the example by acting out themselves these new values and behaviours. An example would be if a company wanted to become more customer focussed, the manager should be seen to change his time allocation and spend time actually talking to his external customers. It is hoped that the end result would be that these new visions and ideas would become part of the organisation’s history even as new ideas evolve and become part of the norm.

1.14 Chapter Summary

In examining the literature on change management there was very little that relates specifically to change towards excellence. However it does appear that irrespective of the motives for change a general theory can be applied. It was the intention of this chapter to highlight to the reader the various models, assumptions and schools of thought associated with change management. It focuses on the emotional aspects of change as felt by the individual, the group and the organisation as a whole. The chapter deals with one of the most important aspects of the area, namely, resistance to change: how to identify it and how to deal with it. Finally it looks at the guidelines presented in the literature for physically and psychologically preparing an organisation to deal effectively with change.

The significance of the managing change chapter to the research is enormous. It is the foundation in which the research is set. The theme sheet draws heavily from the theories, models and approaches to change that have been highlighted in the literature. As a result it is possible to test the theory with the actual practice of a company facing change. The following chapter looks at the area of service excellence, and highlights the benefits of using change to achieve such a status.

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Chapter Two

Service Excellence

Leadership

Benchmarking

2.0 Services Marketing

2.1 Introduction

Due to the breath of literature available in the area of services marketing, decisions had to be made with regard to what areas would be most relevant for this piece of work. Therefore the literature presented in this chapter has been selected to complement the literature on managing change and in addition serves as a background, against which the research propositions or themes are developed and tested.

The chapter highlights the importance of service excellence to companies competing in an increasingly difficult and dynamic environment. Prominent features of the chapter include; The Service Profit Chain, which demonstrates how attention to right elements can produce growth and profitability for companies in the service industry. Additionally a substantial portion of the chapter is given over to two areas, Leadership and Benchmarking. Leadership was deemed important due to evidence in the literature suggesting that there is a link between leadership and service quality and that in fact effective leadership is an integral part of the profit chain. Finally benchmarking was chosen for examination. This area was selected for a number of reasons, firstly the author was interested to discover how the company being studied set its targets and benchmarking is widely accepted as an effective organisational tool for this process. Secondly following some preliminary exploratory research the author had enough evidence to suggest that this in fact was a tool being used to some extent by the company. Finally, the outcome of discussions with research supervisors also pointed towards benchmarking as an area deserving further attention.

2.2 The Emergence of Services Marketing

The importance of the service sector in Ireland has grown in epic proportions, so much so that it is now the largest employer with two out of every three people employed in this area. This represents sixty percent of the total number of

people employed in Ireland. It has been pointed out in the most recent report by the Irish Coalition of Service Industries (1995) that over the previous twenty years virtually all the growth in employment has been in services and this is set to continue for the future. They also highlight the fact that services represent the largest proportion of our gross domestic product. At a figure of sixty percent the service sector provides almost twice as much income as the manufacturing and other primary sectors combined.

In global terms services account for about one third of trade. Significantly the trade in services has been growing at approximately seven times the annual growth rate of merchandise trade. In the European Union jobs in services account for sixty two percent of total employment. During the period 1975 to 1990, employment in services has grown to 21.2 million, this is in stark comparison to the 5.6 million and 5.3 million loss in industrial and agricultural employment respectively.

The phenomenon known as services marketing, has not always enjoyed such a high profile. In the academic world, it gained its acceptance slowly, only after finally winning the debate that the marketing of services was indeed distinct from the marketing of products. Today according to Brown, Fisk and Bitner (1993) services marketing scholars are enjoying a far more receptive working environment as the acceptance of services marketing as a discipline in its own right gains world-wide recognition.

Brown et al (1993, p.77) suggests that the 'evolution and legitimisation' of services marketing in academic literature can be traced through three distinct stages:

➤ Crawling out – Pre – 1980

It was at this stage the scholars began to call for the discipline's right to exist. It was a time of discovery and of risk taking, which encompassed the first publication of literature on services marketing in 1953 and continued through

the product marketing versus services marketing debate which brought about the end of this stage.

➤ Scurrying About – 1980-85

At this point a thriving colony of scholars were continually adding to literature on the topic which resulted in a rapid development of a myriad of topics and interests. Enthusiasm and interest at this stage was very high and the first conferences on the area were held. The goods versus services debate finally began to wane, and the renowned Journal of Marketing published its first four pieces on services marketing.

➤ Walking Erect – 1986-Present

Services marketing finally gained a respected stance and established itself firmly in the marketing discipline. During this stage the literature experienced an explosive growth and there has been virtually no mention of the old debate since 1986, instead the literature has begun to focus on the unique marketing problems associated with services marketing.

2.3 Definition of Services

Zeithaml and Bitner (1996) define services in very simple terms, they suggest that services are 'deeds, processes and performances'. This broad definition of services suggests that there is a large degree of intangibility associated with them and while this is true there are in fact very few services that would be considered purely intangible. Instead it has been suggested, most notably by Lynn Shostack in 1977 that products and services lie on a continuum that range from the tangible to the intangible and that services and products have both tangible and intangible elements (see fig. 2.1). The entities are placed on the continuum according to weight of the mix of the elements that comprise them. At one end of the scale the entities are dominantly tangible while at the other end they are dominantly intangible. Quinn, Doorley and Paquette (1990) take a

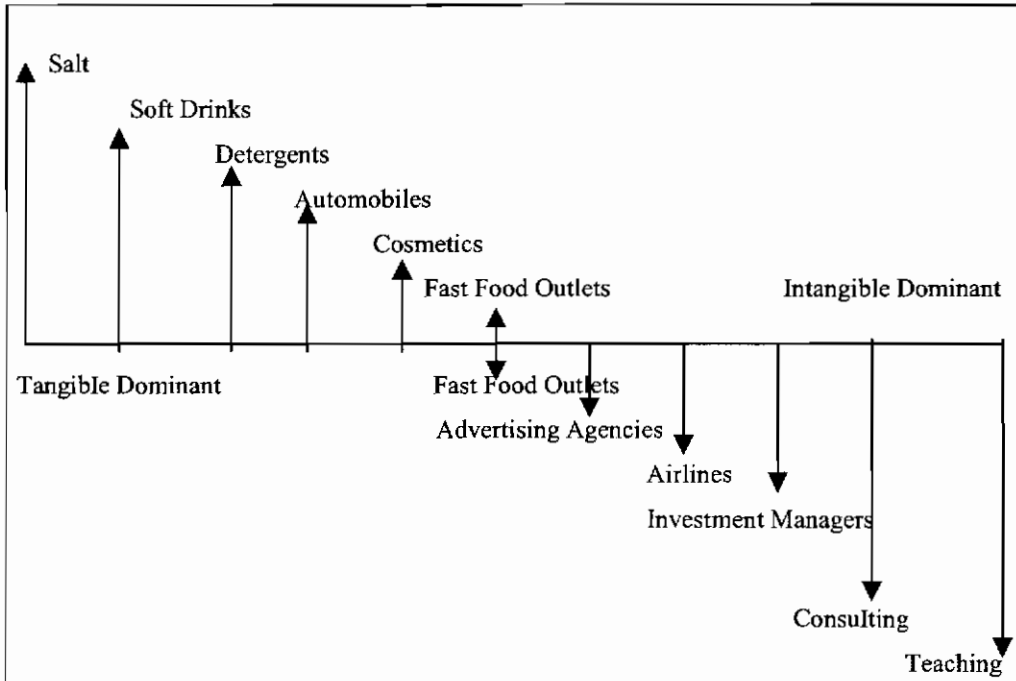
radical view and suggest that in fact most product manufacturing companies are to a large extent service operations.

Services are however different from products in many ways. There are a number of characteristics associated with them that are consistently cited in the literature, including intangibility, inseparability of production and consumption, heterogeneity, and perishability. It is these characteristics that set services apart from products and result in the need for the marketing of services to be treated differently from product marketing.

Intangibility has already been mentioned and according to Zeithaml, Parasuraman and Berry (1985) this is in fact probably the fundamental difference between products and services, intangibility means that services cannot be touched, seen, felt or tasted in the same way that goods can. This stems from the fact, as was highlighted earlier by Zeithaml and Bitner that services are performances rather than objects and it is from this characteristic that the other four emerge.

Inseparability of production and consumption means that the production and consumption of services occurs simultaneously, unlike services Zeithaml, Parasuraman and Berry point out that goods are first produced, then sold and finally consumed. As a result of this it means that the customer must be present during the production of many services. This in turn means that the marketing of a service is highly interactive and the perceived quality of the service will be almost entirely dependent on the interaction that the customer has with the service provider. Jan Carlzon (1987) describes these interactions as *moments of truth*, and suggests that each one of these moments will determine how a customer perceives the organisation. The result of these perceptions in turn will determine whether a company will succeed or fail.

Fig.2.1 The Service Continuum



Source: Shostack, L. (1977) 'Breaking Free from Product Marketing' Journal of Marketing April, p.41.

Heterogeneity relates to the high degree of variability associated with the delivery of a service. The delivery of a service can vary from producer to producer from customer to customer and from day to day. Zeithaml, Parasuraman and Berry suggest that the problem of heterogeneity is heightened in labour intensive service industries where many different staff may be in contact with any one customer. It may also be the case that the service delivery of an individual employee may differ from day to day or even from hour to hour depending on how the individual is 'feeling'. This characteristic makes any attempt to maintain consistency in services very difficult as individual fluctuations in behaviour cannot be predicted.

Perishability essentially means that services cannot be stored or saved. Some examples that highlight this unique characteristic include: hotel rooms not

occupied, airline seats not purchased, and telephone line capacity not used cannot be reused.

Again due to the definition of a service as a performance it means that they cannot be stored and that it is very difficult to match their supply and demand. Finally the implication of these characteristics is that they result in unique problems for the service marketer that require unique solutions and special strategies to help overcome them.

2.4 Service Excellence

“Excellent Service is a profit strategy because it results in more new customers, more business with existing customers, more insulation from price competition, and fewer mistakes requiring the reperformance of services.”

Berry, Parasuraman and Zeithaml (1994)

The service sector has been hit hard by the same changes (changing values and lifestyles, globalisation etc.) that are impacting on the world of business as a whole. Combating these challenges has according to Burke (1999) involved assuring higher quality services and products to clients and customers. In fact in the face of huge competition maintaining customers and attracting new ones is critical to survival let alone growth.

As a result, the theme of service excellence has become increasingly prominent in the services marketing literature. It has generally been accepted in academic circles as a winning strategy. Furthermore in today's highly competitive environment service excellence is viewed as an essential element in achieving a sustainable competitive advantage. Sir Colin Marshall of British Airways finds that customers are now taking the 'basics' for granted and are increasingly looking to companies that can 'delight them' and who desire to help them.

This view is also held by Mouawad and Kleiner (1996). They assert that in the current volatile economy, offering excellent service is a business priority that can ensure future growth and success. In a study conducted by Whitely (1991) the importance of the customer is unequivocally highlighted. The findings of his study showed that customers were five times more likely to switch vendors because of perceived service problems than for price concerns or product quality issues.

According to Total Quality Management International, excellence in customer service involves a continuous process where an organisation deliberately controls all activities that directly affect their customers. In order to do this management must have an acute knowledge of their customer's needs and ensure that resources are available to meet those needs. The entire process must be planned, monitored and continually improved in order to ensure success. Peters (1999) also believes in this approach. He asserts that if a company can figure out what their customers like and give it to them continually the company will be rewarded not only with loyal customers but also with word of mouth advertising resulting in new customers.

One company that has recognised and embraced the fact that it is the customer that should drive the definition of excellence is Federal Express. For many years Federal Express defined customer satisfaction based on the number of on time deliveries that they made, by cataloguing customer complaints they realised that this was a purely internal definition. Through consumer research they identified eight service failures that were a true representation of what influenced customer satisfaction.

Berry, Parasuraman, and Zeithaml 1994 having conducted research on service quality in America over a ten year period have identified five broad dimensions that customers use as criteria to judge the quality of a service. The following dimensions are not mutually exclusive, but they do provide a framework that is

helpful in understanding what customers expect from service providers. The five dimensions are (p.608):

- Reliability (32%): The ability to perform the promised service dependably and accurately.
- Responsiveness (22%): The willingness to help customers and provide prompt service.
- Assurance (19%): The knowledge and courtesy of employees and their ability to convey trust and confidence.
- Empathy (16%): The caring, individualised attention provided to customers.
- Tangibles (11%): The appearance of physical facilities, equipment, personnel and communication materials

While these guidelines help in identifying and understanding how to deliver what customers want, it is not something that can be achieved overnight or on an ad-hoc basis. Therefore in order to aid this process the service profit chain model was developed by a number of authors who are at the forefront of the services marketing literature.

2.4.1 The Service Profit Chain

Just as the function of services marketing is different from that of product marketing so to are the functions of excellent service companies different from those that are not. According to Heskett, Jones, Loveman, Sasser and Schlesinger (1994), executives in excellent companies spend very little time determining profit goals or concentrating on market share, instead they focus on the two important elements in determining service excellence, frontline workers and meeting customer needs. The model that the above authors have designed concentrates on factors that they believe drive profitability in this new service paradigm. The model called The Service-Profit Chain focuses on (p.164):

- Investment in people
- Technology that supports frontline workers
- Recruiting and training practices

- Compensation linked to performance for employees at every level.

What Heskett et al are suggesting is that once employees and customers are satisfied then all other elements important to the survival of a company such as revenue and growth will follow. The authors developed the service-profit chain after conducting an investigation of the practices of successful service organisations. What it sets out to do, is establish relationships between profitability, customer loyalty, and employees satisfaction, loyalty and productivity. The links in the chain are as follows: (p.420)

1. Profit and growth are stimulated primarily by customer loyalty.

For nearly two decades the primary goal of management has been to become the number one or number two in the industry, however more recently the focus has begun to change and service industry such as software and banking services now believe that customer loyalty is now a more important determinant of profit. For example, Reicheld and Sasser (1990) suggest that a five percent increase in customer loyalty can produce a twenty five to eighty percent increase in profits.

2. Loyalty is a direct result of customer satisfaction.

The top service companies are now trying to quantify customer satisfaction and what in turn this satisfaction can mean to the company. For example Xerox who survey their customers in relation to satisfaction every year found that the difference between a satisfied customer and a very satisfied customer is in fact quite substantial. They found that very satisfied customers were six times more likely to repurchase than those that were just satisfied. Therefore their goal has changed from one of just satisfaction to total satisfaction, thereby creating a customer base that is so satisfied that they influence non-users of the product or service to convert.

3. *Satisfaction is largely influenced by the value of services provided to customers.*

Customers describe value as the 'results they receive in relation to the total costs' (Heskett et al 1994 p.421). The total cost here includes not only the price of the product but also any other costs incurred by the customer when purchasing the service.

4. *Value is created by satisfied, loyal and productive employees*

Only employees that are happy in their jobs and with their working environments can provide quality service to customers. This involves time and effort being put in by management to ensure that employees are empowered and have the resources to deliver the best possible service. However Tschohl (1999) reports that this is rarely the case. He cites the findings of the late management guru Edward Demming who estimated that no more than two managers in one hundred and ten employees in one hundred are actually happy in their work. This is of course very unfortunate, as was already mentioned the link between manager and employee satisfaction with customer satisfaction is undisputed. People who are motivated by the satisfaction they get from their work are productive, creative and successful.

5. *Employee satisfaction is the result of internal quality*

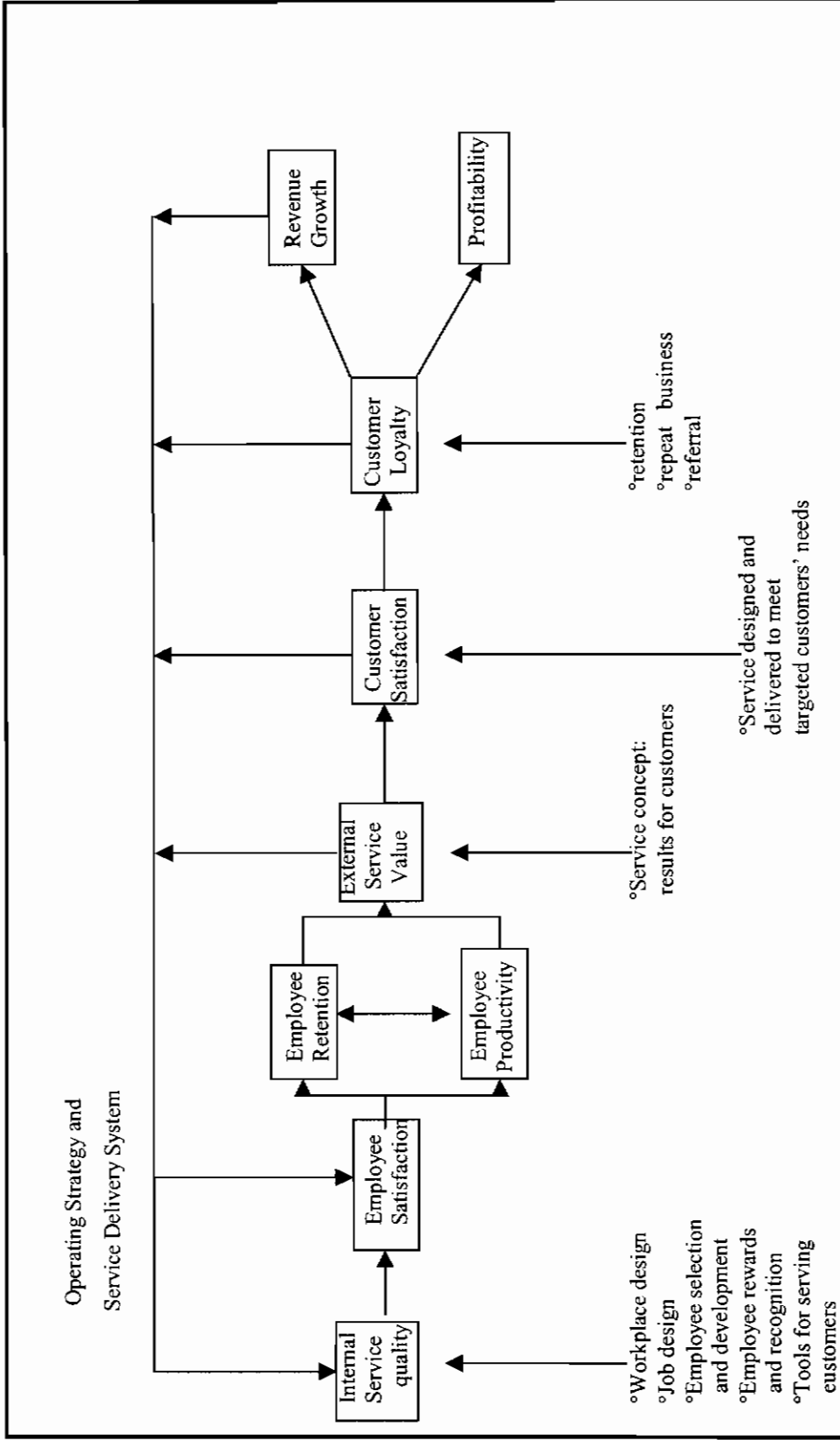
Employee satisfaction, in turn, results primarily from high-quality support services and policies that enable employees to deliver results to customers. The internal quality of the working environment is an important indicator of employee satisfaction. Research has shown that what employees value most is the ability and authority to achieve results for customers. Another important characteristic of internal quality is the attitude that people in the organisation have towards each other.

The model supports Levitts request for businesses to focus on the tangibles as well as the intangibles. The service-profit chain approach is further supported

by Kotter (1991) who asserts that service excellence will in fact serve as the major competitive platform of the nineteen nineties. It is according to Peters (1999) important to remember that the results achieved from the introduction of changes or models such as the service profit chain must be considered a dynamic part of the organisation. New learning cannot be allowed to simply evaporate it must be embraced and used as the platform on which to make more changes.

The introduction of quality standards has also added to the possibility of achieving service excellence. According to Karapetrovic (1999) over the past decade the business world has witnessed an explosion of quality-related standards and regulations. The standards offer the customer an assurance of quality products and services, including the processes that create them. For the company trying to achieve such standards, it is a continuous quest for better quality.

Fig 2.2 The Service Profit Chain

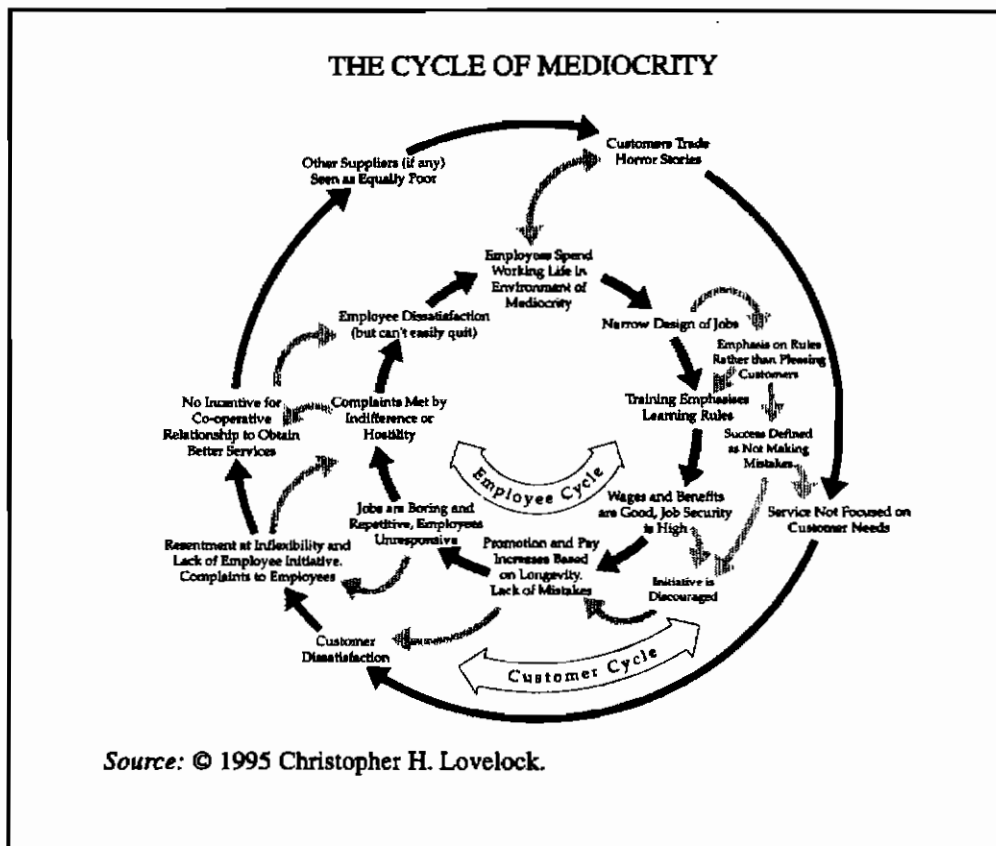


Source: Heskett, J. Jones, T. Loveman, G. Sasser, J. and Schlesinger, L. (1994) "Putting The Service-Profit Chain to Work" *Harvard Business Review* March-April, p. 166-74.

2.5 Service Cycles

Despite the guidelines, there are very few companies that actually strive for service excellence. In some cases this is due to the fact that total commitment from both management and frontline staff is required and many are too busy or unwilling to give this commitment. According to Levering and Moskowitz (1993_ many companies still offer very poor working environments and as a direct consequence offer very poor service. As a result the organisation finds itself stuck in a vicious cycle that precludes the requirements necessary for excellence. One such cycle is that described by Lovelock (1995) and is called *The Cycle of Mediocrity*.

Fig. 2.3 The Cycle of Mediocrity



Source: Lovelock, C. (1995) 'Chapter 8 Managing Services: The Human Factor' *Understanding Services Management* Oak Tree Press, Dublin, p.203-43.

The cycle of mediocrity involves two concentric but interactive cycles. One cycle involves failures with employees, the second with customers. This cycle is a powerfully negative element in creating poor service and unrewarding working experiences. This type of situation is common in large, bureaucratic organisations, often typified by state monopolies, industrial cartels or regulated oligopolies. There is little impetus to improve performance and very often there is an entrenched union that often discourages management from trying to implement more innovative working practices.

The service delivery situation in such a cycle tends to be dictated by rigid rulebooks and standardisation. The goal is operational efficiencies and prevention of employee fraud or favouritism toward certain customers. It may also be the case that even more inflexibility is imposed by union work rules. It is common that employees will expect to spend most of their working lives with the organisation. Narrowly defined job responsibilities are the norm, often tightly categorised by grade and range of responsibility.

Being successful at ones job is measured in terms of not making mistakes rather than on productivity or quality customer service. Length of time in the job is used to judge and award salary increases and promotion. Training if any, focuses strongly on learning the rules and the technicalities of the job. Little if any attention is paid to improving human interaction with customers or colleagues. While jobs are typically boring and repetitive, they do provide adequate pay and good benefits and in addition high security, making it difficult for employees to leave.

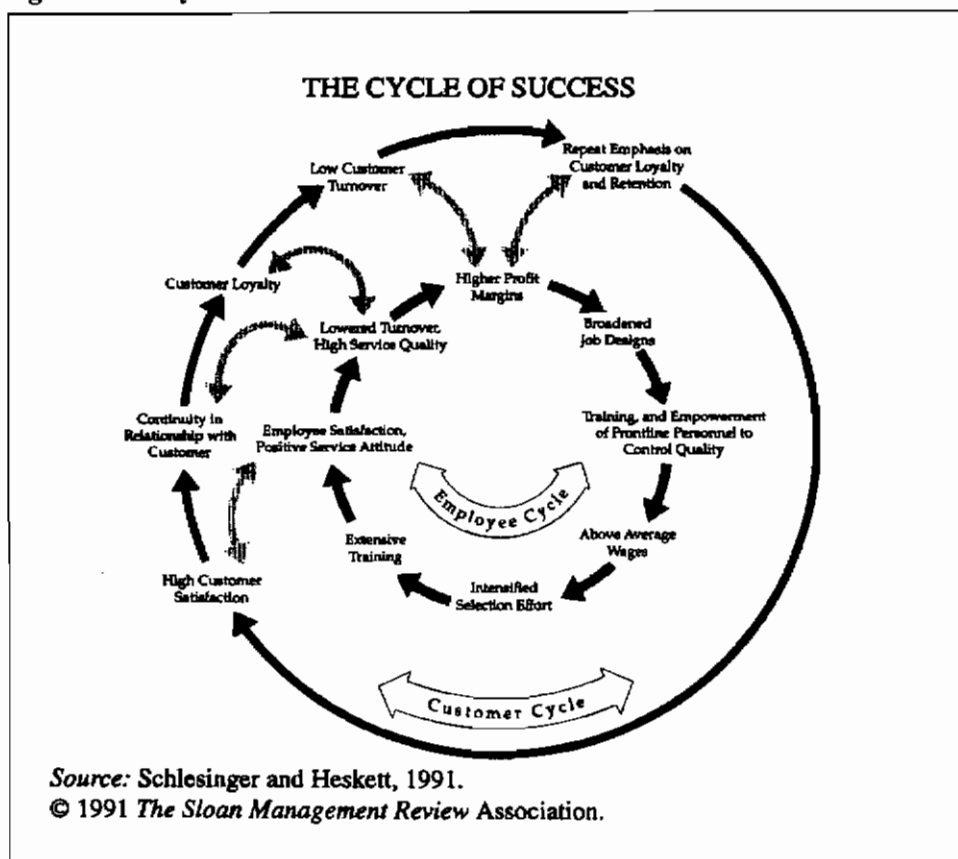
Customers find it difficult and frustrating dealing with such organisations. They are continually faced with bureaucratic hassles, unwilling employees and service inflexibility. 'That's not my job' is probably the most frequently echoed statement from employees, resulting in resentful customers. However, the problem is that customers have nowhere else to take their business either

because of the monopoly situation or other providers are perceived to be just as bad or worse. The end result of dissatisfied employees dealing with unhappy customers is: indifference and a cycle of mediocrity that provides little incentive for co-operation to improve the situation.

However some organisations reject the assumptions and circumstances that produce cycles like the one mentioned above. Instead they adopt a long-term view of financial performance. This according to Schlesinger and Heskett (1991) involves investing in people to create a *Cycle of Success*. As is the case with the last cycle the cycle of success involves both employees and customers. In this situation broadened job designs are accompanied by training and empowerment. These practices and policies allow frontline employees to control quality. Recruitment and training are focussed and intensive, employees are happy in their working environments and provide a higher quality service to customers. The continuity in service is appreciated by regular customers as they have the opportunity to build relationships with individuals in the company.

This cycle is often typified by loyal customers and higher profit margins. As a result the organisation has more time to spend on marketing efforts to ensure customer retention strategies are employed, which are less costly than strategies to attract new customers. According to Lovelock (1995) many organisations that are currently operating in a cycle of mediocrity are being forced to examine the possibilities for adopting a more successful strategy. This is a direct result of deregulation and the opening up of more and more competition. British Airways and BT are just two examples of large organisations who have managed to break the cycle. Change for such companies has involved radical cultural and policy changes. Essentially involving 'a slimming down of the ranks (usually resulting in retention of the more dynamic and service-oriented employees), redefinition of performance criteria, intensive training, and major reorganisation' in order to create companies in a position to offer customers excellent service (Lovelock, 1985 p.230).

Fig.2.4 The Cycle of Success



Source: Schlesinger, L. and Heskett, J. (1991) 'Breaking the Cycle of Failure in Services' Sloan Management Review Spring, p.17-28.

An important element contributing to the ability of a company to strive for excellence is executive leadership. According to Heskett et al (1994), leaders need to understand the service profit chain in order to develop and sustain a culture focussed on service to customers and fellow employees. Carlzon (1987) points out that while frontline employees will have to make extensive changes in order to become part of a customer oriented organisation, the initiative for these changes has to come from the top. Rausch (1999) suggests that in fact there is a link between leadership and service quality. He maintains that effective leadership can contribute significantly to the quality of a service. Given the importance of leadership to the attainment of service excellence further attention is given to it in the following section.

2.6 Leadership for Service Excellence

The classic approach to leadership which stems from the early part of this century can be described as essentially a 'leader, follower' relationship. According to Tanenbaum and Schmidt (1973) the successful leader was generally described as 'possessing intelligence, imagination, initiative, the capacity to make rapid (and generally wise) decisions, and the ability to inspire subordinates' (p.109-10).

However, gradually a new perspective began to emerge, spurred on particularly by the social sciences. The concept that developed according to the above two authors is related to what is termed as 'group dynamics', this essentially meant that the attention was now turned to the members of a group rather than exclusively on the leader. Research conducted within the social sciences tradition challenged the efficiency of directive style leadership and turned attention to the problems of motivation and human relations. It was through the research of the social scientists that the two earliest and most widely accepted styles of leadership emerged, these being the *autocratic* and *democratic* styles of leadership.

Before any further definition of leadership is attempted it is important to briefly look at the differences between leadership and management. Kotter, (1990, p.103) suggests that 'leadership and management are two distinctive and complementary systems of action'. Each has its own function and characteristic activities. Additionally both are required for success in an increasingly complex and dynamic business environment. He further suggests that management is concerned with dealing with complexity, and that due to the development of the large organisation in the twentieth century, management's practices and procedures have been developed accordingly. Complex enterprises tend to become chaotic and without good management can become extinct. 'Good

management brings a degree of order and consistency to key dimensions like quality and profitability'(1990, p.104).

On the other hand, leadership, according to Kotter is about dealing with change. A substantial reason for its importance in recent years is that as a whole the world of business has become more volatile, resulting in vastly increased competition. The bottom line is that, what was being done yesterday or even today will not suffice for tomorrow. Consistent change is now required in order to survive such an environment, and more change results in a constant demand for more leadership.

Leadership has been defined by many, in various different ways, two examples cited by Philip Sadler (1997, p.21) include:

Leadership is -an activity or set of activities, observable to others that occurs in a group, organisation or institution involving a leader and followers who willingly subscribe to common purposes and work together to achieve them (Professor Kenneth Clark).

Leadership is -the reciprocal process of mobilising, by persons with certain motives and values, various economic, political and other resources, in a context of competition and conflict, in order to realise goals independently or mutually held by leaders and followers (John McGregor Burns).

As can be seen from the many examples, to convey leadership in one concise definition is impossible. Leadership is such a powerful word that it means many different things to many different people in many different situations. However, despite the difficulties when it comes to definition, as Popper and Lipshitz (1993) point out it not usually difficult to identify who is the leader of a group of people performing a task.

2.61 Styles of Leadership

Much of the research which has been conducted on the various styles of leadership, have been based on early research conducted in 1939-1940 by two American researchers White and Lippitt and is now according to Saddler (1997) considered a classical experiment in social psychology. They based their experiments on the two styles of leadership that were mentioned earlier: autocratic and democratic styles.

These mean exactly what their names suggest, an autocratic leader 'takes decisions and imposes them on a group, expecting group members to put them into effect without questioning the reasons for them' (Sadler 1997 p.71). On the other hand a democratic leader will attempt to get the members of his/her group to partake in the decision making process, and identify him/herself more as a co-ordinator of the overall group effort, as opposed to the sole decision maker. Democratic leadership is defined by Prentice (1961, p.43) as 'Leadership is democratic if it provides each worker the maximum opportunity for growth without creating anarchy'.

Tannenbaum and Schmidt (1973) suggests that the behaviour of every leader lies on a continuum between these two fixed poles. Each point on the continuum refers to the amount of control used by the leader and the amount of freedom he allows his subordinates. On the extreme left of the continuum the leader exercises extreme control over his/her employees, and on the extreme right s/he relinquishes a good degree of control to subordinates. The following diagram highlights the varying styles of leadership according to the position on the continuum.

White and Lippitt conducted further experiments which resulted in a further categorisation of leadership being identified. This third style is described as *laissez-faire*. Here the leadership role has been identified as passive, with

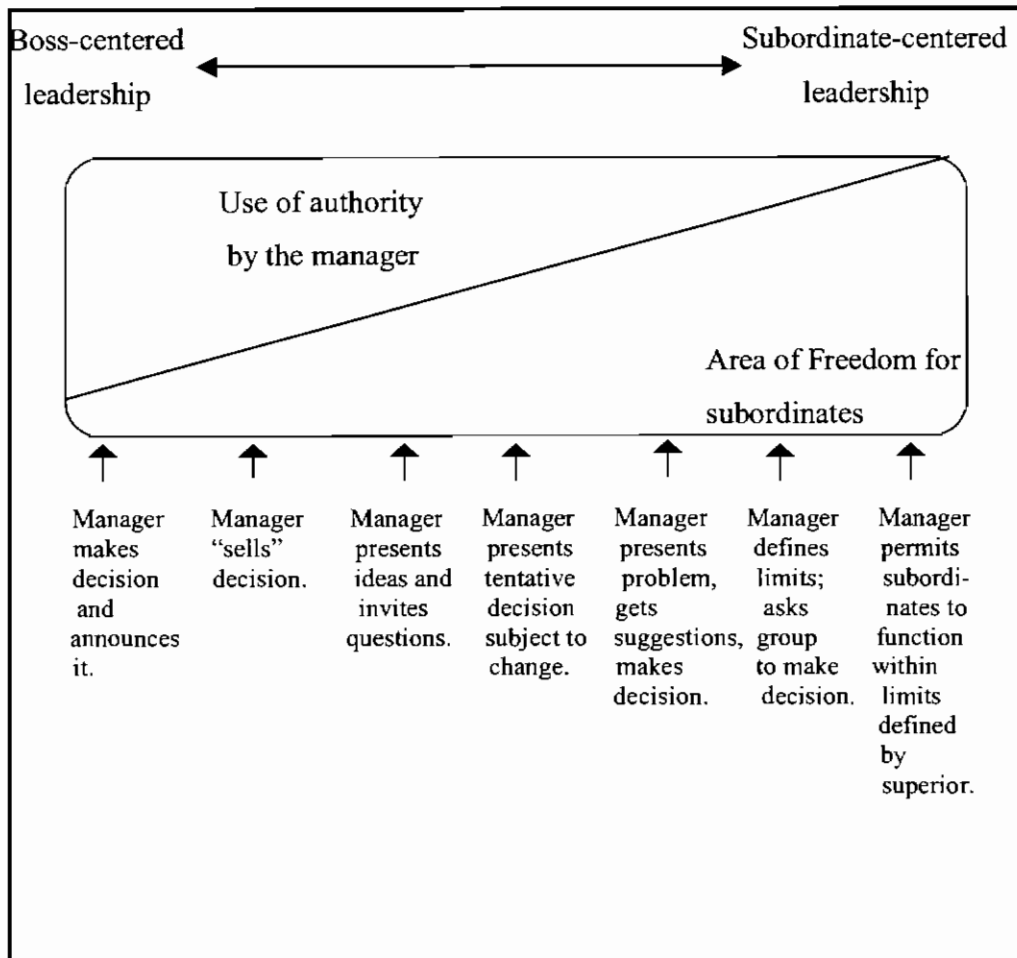
interventions by the leader only being made when it is directly asked for by the group.

Popper and Lipshitz (1993), discuss two additional styles of leadership which have been identified, transactional leadership and transformational leadership. Transactional leadership, as the name suggests, views the relationship between the leader and his/her followers as a type of transaction. They assert that 'People are basically instrumental and calculative. Leaders are individuals who are sensitive to the needs of others, who follow them in return for the satisfaction of these needs' (1993, p.24). Transactional leaders are characterised as being sensitive diagnosticians who can align different situations with appropriate motivating strategies.

Transformational leadership on the other hand involves followers going above and beyond what is actually expected of them. It is often also referred to as inspirational leadership, and is linked to the emotions of the leader's followers. Transformational leaders are described by Popper and Lipshitz (1993, p.25) as having the ability to 'arouse deep emotions which lead followers to behaviours that exceed expected instrumental returns'.

Popper and Zakki (1994) however criticise the way in which the literature has presented the different styles of leadership, they believe that it is 'overly monolithic and deals mainly with leader-led relations' (p.6). They acknowledge three types of leadership, transactional leadership, charismatic leadership and transformational leadership. A charismatic leader is described by Atwater, Penn and Rucher (1991, p.10) as being able to 'inspire trust and respect, as well as promoting heightened performance and satisfaction among followers'.

Fig. 2.5 Continuum of Leadership Behaviour



Source: Tannenbaum, R. and Schmidt, W. (1973) 'How to Choose a Leadership Pattern' Harvard Business Review May-June, p.109-18.

Popper and Zakki (1994) feel that in order to appreciate the different styles you must also examine the 'organisational psychological contexts and their effect' (p.6) and not just view leadership styles as a function of the individual leaders personality characteristics. They outline in table format the conditions that lead to the predominance of the particular style of leadership.

Fig. 2.6 Styles of Leadership

Leadership Pattern	Conditions conducive to the Predominance of the leadership pattern
Transactional	Routine situations where the basic level of anxiety is not high, there is no acute sense of impending crisis or major changes.
Charismatic	Situations where there is a high anxiety level, conditions of crisis and change that intensify processes of projection, transference and attribution.
Transformational	Situations where the basic level of anxiety is not high and attention is given to the developmental needs of the led. In general this leadership pattern depends more on the leaders view of him/herself as transformational and less on the organisational context than the transactional and charismatic leadership.

Source: Popper, M. and Zakkai, E. (1994) 'Transactional, Charismatic and Transformational Leadership: Conditions to their Predominance' *Leadership and Organisational Development Journal* Vol.15, No.6, p.3-7.

Another style of leadership that originated in the nineteen seventies is *servant leadership*, however, it has only been in the 1980s and 1990s that this style of leadership has positioned itself as a 'major focus and goal in leadership and management writings, and in organisational practice' (Spears, 1996, p.33). Llyod (1996) believes that servant leadership 'provides an alternative and healthier approach between power and responsibility that should help improve

the position of most individuals and organisations' (p.32). The term servant leadership was first introduced by Robert K. Greenleaf. He suggested that the model of leadership should be based on 'teamwork and community; one which seeks to involve others in decision making; one which is strongly based in ethical and caring behaviour; and one which is enhancing the growth of people' Spears (1996, p.33).

While the styles of leadership within each organisation will vary, there is according to Nicholls (1994, p.14) a common thread to all styles 'in one way or another, they modify the relationship between people and their environment; the difference coming from the different focus in each case'.

2.62 The Task of Leadership

It has been suggested by Heifetz and Laurie (1997) that the most difficult task that a leader will have to undertake in order to effect change is to mobilise all people within the organisation to do adaptive work. Adaptive work is defined as work that goes against existing beliefs and values that have to date made the organisation successful. Two main reasons are suggested for the difficulties involved in this particular task: firstly leaders must accept that when it comes to adaptive challenges, they do not hold all the solutions, and that the task of solving problems must shift to the people. Secondly, employees in general have been too comfortable in allowing their leaders to take the problems off their shoulders, however, now 'they need to take on new roles, new relationships, new values, new behaviours and new approaches to work' (p.124).

Hay (1993) suggests that it is also up to the leader to strike the right balance between personal development and the requirements of the organisation. He warns that too much emphasis on personal development will be at the expense of the organisation, while too much emphasis on organisational requirements will 'unjustifiably constrain a human being into a box on the organisational

chart' (p.12). Getting the balance between these two concepts right is directly linked to the culture within the organisation, and essentially it requires an environment in which there is a strong sense of community, and where the individual's goals are in tandem with the overall goals of the organisation.

It was stated earlier that leadership is about coping with change and according to Darcy and Kleiner (1991, p.16) 'managing major change is essentially a synonym for managing people through major change'. In order to do this it is up to the leaders within an organisation to be sensitive to the problems that many individuals have with change such as their fears and apprehensions about the future. From an organisational point of view leaders have to 'positively orient themselves towards the upcoming change in a manner which will ensure his or her own effective leadership, (p.16).

'Leadership involves a synthesis of values and vision and an understanding of system properties' Rowsell and Berry (1993, p.18). Similarly, according to Pagonis (1992) the work of leadership is both personal and organisational. Personal from the point of view that each individual leader will bring his/her own style based on his/her personality characteristics. Organisational, due to the fact that 'leaders do not operate in isolation' (p.123) and in many cases the tools and techniques open to them for leadership are very much based on the particular organisational culture that is involved.

Perhaps the true task of leadership is best summed up in the words of the American General, Dwight Eisenhower: 'The essence of leadership is to make people do what you want them to do with as much will, determination and enthusiasm as if they had decided for themselves'

2.63 What Employees Want From Leadership

‘True Leadership emerges from those whose primary motivation is a deep desire to help others’ Spears (1996, p.33).

Hall and Norris (1993) conducted research to determine the qualities that employees looked for in a leader. Their research found that there are seven common items that employees looked for in leadership;

1. ***Being able to paint a picture of the future.*** Individual employees within an organisation like to know where the organisation is going and what role they as individuals are going to play in it’s future.
2. ***Communicating clearly and regularly with those being led.*** Employees often feel that leaders do not listen, and they wanted leaders who can, will, and do communicate with them.
3. ***Being trusted.*** Employees want to be able to trust their leaders, and equally important that they want their leaders to be able to trust them.
4. ***Giving recognition for work well done at a time when it matters.*** Employees find this lack of recognition to be a major failing of their leaders. The researchers also concluded that in most cases a simple ‘thank you’ at the appropriate time would have sufficed.
5. ***Understanding and using the talents of those who are being led.*** It is important for leaders to encourage personal development for the good of the individual as well as the good of the group.

6. *Managers, Supervisors and Team Leaders Blaming Those at the Top for Lack of Leadership but Failing to Take Responsibility for Leading at their Own levels.* This essentially means as the title suggests, that leaders at lower levels, blame those at higher and top levels for their own failings.

7. *The Organisation's People Systems and Procedures Need to Support Leadership Aims.* This essentially means that leaders need not only to support people but just as important is the need to create systems support.

The researchers further suggest that any of these items or indeed any of the skills and behaviours required for leadership can be learned. However, the greatest failure of leaders has been the failure to transfer this knowledge into the behaviour they display in the working environment.

2.64 The Leader for the Future

‘While the new style leader needs to be aware of activity and potential opportunities in their ever-changing environment, he or she also needs to maintain a close interaction with organisation’ Boyett (1996, p.30).

As the end of the twentieth century approaches, there is a new need to examine the role of the leader in relation to the emerging needs of the organisation of the future. According to Saddler (1997, p.137) efforts to describe the leader for the twenty first century have been many and varied, however many do have a similar ring to them.

- The end of the hero. The traditional view of the leader has been one of hero worship, where the members of the group wish their leader to be stronger and better than themselves. As a result huge pressures have been placed on leaders. Hero worship such as this, results in the remaining members of the group adopting a very passive followership role. The consequence of this

has been to neglect the importance of developing an interactive relationship between the leader and the follower.

- White, Hodgson and Crainer (1996) emphasis the need for future leaders to be prepared to handle much uncertainty and turbulence.
- Bartlett and Ghoshal (1995), see the leader as more of a coach and developer.
- Block (1993) according to Saddler (1997 p.140) sees the traditional role of leader being replaced with that of stewardship, this essentially means 'the willingness to be accountable for some larger body than ourselves - an organisation, a community. It is also to do with 'our choice for service over self-interest', with being 'willing to be deeply accountable without choosing to control the world around us.'
- The leader as educator. According to Heitetz (1994 p.140) leaders 'influence the community to face its problems' as opposed to influencing 'the community to adopt the leader's vision'.

Research reported by Tait (1996) examined the results of a study undertaken by Korn/Ferry in conjunction with Columbia University Graduate School of Business, which interviewed 1500 executives in twenty different countries, to determine what they believed to be important for leadership in the year 2000. It was found that 'the personal characteristics of leadership would not change fundamentally, except perhaps to require more of the same' (p.31). Liam Strong who is quoted by Tait believes that leaders will increasingly have to lead from 'among rather than on the top' (p.31) and that leaders will become greatly dependent on their staff who are becoming more and more technically expert.

Another important element that was deemed to be important for leaders of the future, was the importance of ethics as well as the need for increased vision, open mindedness, creativity and enthusiasm. Not only will the twenty first century mean that leaders will have to adapt to an ever increasing competitive environment, but also the changing requirements and demands of their staff. And while many leaders have recognised this need, the leaders of the next century will have to take things a step further. By 'empowering individuals to take control of their own working lives and to share to some extent both in the achievement and the risk taking' (Thornely and Lees 1993, p. 214).

In addition to having the leadership necessary to achieve excellence it is first essential for a company to know exactly what excellence is from a practical and not just theory based viewpoint. A tool that is becoming increasingly popular in business for this task is, benchmarking. This involves the identification and examination of best practice. Benchmarking involves looking at what the best or excellent companies are doing and trying to replicate or indeed surpass their standards. The following section highlights the relevancy of benchmarking to both quality and change management.

2.7 Benchmarking

According to Fowler (1997, p.39) in its original meaning a benchmark was and still is a 'short groove cut into the stone cornice of a building and marked by an arrow, the height of which above sea level has been accurately measured.' This mark was then used as a reference point by surveyors when measuring the heights of other objects in the area. Balm (1996, p.29) suggests that some of the 'narrower focussed' traditional forms of benchmarking have been around for centuries. One of the earliest uses of benchmarking was by military leaders when they used 'reconnaissance to size up the enemy'. It was later refined and became the 'competitive analysis that became the basic tool in the industrial

age' and eventually was broadened and involved analysing whole countries and industries.

In relation to business the origins of benchmarking, relate back to when it was the practice to take apart competitor products to see how they worked or to see if it could be made better. According to Bendell, Boulter and Kelly (1993, p.3) the 'early physical benchmarking' developed further when the Japanese undertook a tour of thousands of companies, based mainly in Western Europe and America. Their specific intention being to 'adopt, adapt and improve manufacturing processes'. The Japanese also began to transfer technology and systems from one area of business to a completely different one, the hope being to continually improve on current performances.

An American company took a second extremely vigorous approach, in 1979. Xerox or Rank Xerox as it is known in the United Kingdom and Ireland, was facing a huge downturn in market share, when it undertook it's first benchmarking project and as a result of benchmarking as we now know it today had found it first footholds in company strategy. The main problem facing Xerox was the fact that their competitors were producing products that were selling a lot cheaper than Xeroxs'. To understand how their competitors could do this they began to critically examine their competitor's machines, focussing on its features and capabilities. They also had the opportunity to study the practices of Fuji Xerox in Japan. Many areas for improvement were identified and the necessary guidelines were put in place in order to bring their operations into line.

Benchmarking can therefore be defined as 'a systematic process of discovery and examination of best practices that lead to superior performance' Fowler (1997, p.39). Also these benchmarks become the standards for a company's continuous improvement strategy. According to Clarke (1995, p.35) benchmarking is actually derived from the 'Japanese philosophy of continuous

improvement' known as Kaizen. Clarke emphasis that the need for continuous improvement is never ending and that strong commitments to do a little better each day is what is required.

2.71 Reasons for Benchmarking

Benchmarking according to Cook (1995, p.27) 'involves establishing what makes the difference in customers' eyes between an ordinary supplier and an excellent one, finding out what is the 'best' that can be found and setting standards to deliver and exceed best practice'. Benchmarking, therefore offers a company the opportunity to establish itself in the customers eyes as a 'cut above the rest'.

In relation to change there are a number of reasons why a company undertakes a benchmarking project, it could be to:

- Increase efficiency
- Create customer awareness
- Enhance customer satisfaction
- Improve profitability
- Promote understanding
- Make continuous improvements
- And gain commitment to corporate goals

According to Grinyer and Goldsmith (1995, p.19) 'benchmarking is a powerful tool for infusing new ideas into organisations, and for validating changes. It encourages the organisation to be outward facing, and so promote cultural change.' Furthermore in relation to change benchmarking plays a major role in three very important change programmes:

2.71-1 Benchmarking and total quality management

It is often the case that a benchmarking project is conducted as part of a total quality management initiative. Total quality management programmes involve examining all aspects of a business in order to offer the customer total satisfaction continuously. Benchmarking therefore offers the opportunity for an organisation to develop 'helicopter vision' which 'helps prevent complacency through developing the discipline of focussing externally' (Cook 1995 p.28).

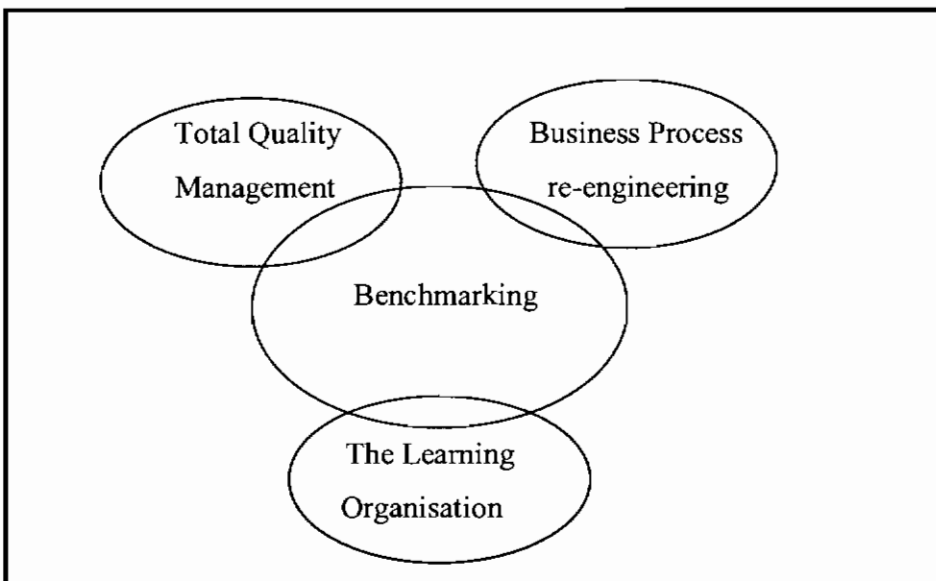
2.71-2 Benchmarking and process improvement

In the case of business process re-engineering, benchmarking 'exposes organisations to state-of-the-art practices, thereby acting as a catalyst for improvements in performance through emulation of best practice' (Cook, 1995 p.30).

2.71-3 Benchmarking and the Learning Organisation

Benchmarking is a very useful tool for learning, it involves individuals actively and continuously assessing their own performance and that of the organisation. Benchmarking is also a powerful vehicle for encouraging empowerment as it involves individuals taking responsibility for their own improvements.

Fig. 2.7 Benchmarking in Relation to Change Programmes



Source: Cook, S. (1995) *Practical Benchmarking* Kogan Press Limited, London.

The nature of benchmarking itself according to Scott (1996, p.50) 'may sound blindingly obvious, but no business has ever improved its performance just from understanding benchmarking. At some point management must implement change in order to achieve the benefits'. Unfortunately while the change is the most important part it is also the most difficult and the benchmarking by comparison appears to be relatively straightforward.

2.72 Types of Benchmarking

It is generally agreed on in the literature that there are four different types of benchmarking, each with their own disadvantages and advantages that have to be considered. The first of these is:

2.72-1 Internal Benchmarking

Internal Benchmarking can be loosely defined as making comparisons with other parts of the same organisation. According to Clarke (1995) the comparisons can be made in a number of ways, for example vertical benchmarking which involves focussing the benchmarking project on specific departments. Or by using horizontal benchmarking which focuses on entire chains of practices across the whole organisation. Internal benchmarking is quite common, and it is normally quite easy to get the information necessary to make a good comparison. If in general the work practices are similar, the information will be readily usable, however, according Bendell et al (1993) this sort of information is unlikely to lead to best practice.

2.72-2 Competitor Benchmarking

Competitor benchmarking is a much more difficult task. Any information received is normally very valuable, however due to matters of confidentiality it is normally not possible to get the complete picture of a competitors operations. In some cases according to Bendell et al (1993), it can be very misleading to look at a competitors outputs and available figures without knowing exactly what processes have led to these outputs. Larger organisations on the other hand

often exchange information of common interest, in the hope that they can help each other come to terms with best practice.

2.72-3 Functional Benchmarking

This involves benchmarking against organisations who are not direct competitors but do carry out the same functional activities, examples of this type of benchmarking include warehousing, procurement, catering and so on. Bendell et al (1993, p.70) list a number of advantages associated with this type of benchmarking, 'functional leaders are easy to identify in many areas; confidentiality is not usually an issue; approaches which may be novel for your industry can be discovered; two-way partnerships can be developed', the main downside to functional benchmarking is that it may be difficult to adapt their practices to your organisation.

2.72-4 Generic Benchmarking

This type of benchmarking goes further by comparing business processes that cut across various functions and in quite different industries. Information that is gained by generic benchmarking is likely to be the most useful in terms of innovativeness and for achieving overall process improvement. However, it must also be acknowledged that the introduction of new concepts into diverse industries may be very challenging.

The method of benchmarking that any one company will undertake is dependent on a number of factors, one of these being the size of the company. Obviously the requirements of a large already fairly successful company are going to be quite different from those of a smaller company whose experience in undertaking projects to improve quality may be quite limited. It is also quite possible that the larger more successful company may find it a lot more difficult to find companies that have better practices than them, while on the other hand it will be relatively easy for the smaller company.

Another important factor that will influence the type of benchmarking project undertaken, are the resources that a company can afford to allocate to such a project. Where resources are a problem it makes sense to utilise local companies for first visits. As well as being cheap it also means that there will be no cultural or language difficulties to overcome. Internal benchmarking is also a good place to start, and this can be conducted between sites, this is done by companies such as Kodak and Philips. The internal benchmarking project is easy to manage and also acts as a good reference point from which to start other benchmarking projects.

Probably the biggest question that any company undertaking a benchmarking project will have is: 'How do we know that the company or practice that we are benchmarking against is the best?' The simple and probably most honest answer to that is that you do not know. However, if the research has indicated that this particular company is the best you have found and that their performances is certainly better than yours, then you should proceed with the project. Dale (1996, p.37) feels that by 'emulating best practice to facilitate continuous improvement throughout an organisation, is a way of challenging internally accepted standards and prejudices and highlights what can be achieved in other business situations'.

2.73 The Benchmarking Process

2.73-1 What is to benchmarked : Benchmarking is not just about going around to other companies and attaining a few ideas about how to improve some area of your own business rather it is centred around planned research. This research has been focussed by a company's recognition that it needs to improve some of its critical business areas. Deciding on what to benchmark is generally aided by asking the following questions (Bendell, Bouter and Kelly 1993, p.67):

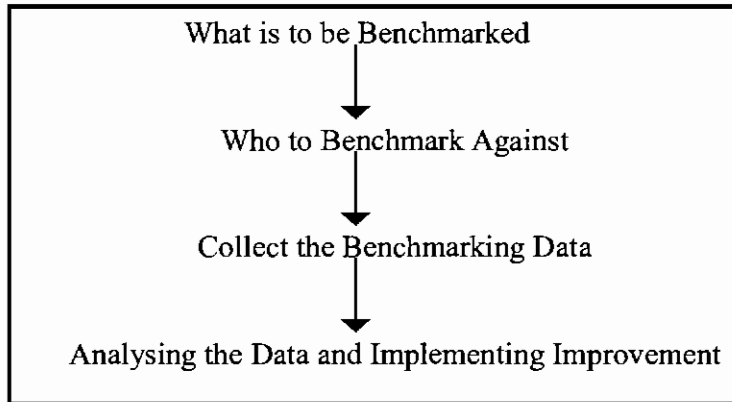
1. Where do we want to be?
2. Where are we now?

3. What do we need to do to get from here to there?

It is generally accepted that anything that can be benchmarked can be measured, however it makes sense that a company would start benchmarking areas that have a direct effect on their competitive situation. It is up to the company itself to decide on the specific areas that it is going to focus its improvement activity on. Most companies for example have customer satisfaction and low operation costs as their main priorities, deciding on areas like these points you in the general direction that you want to move in and as such answers the question 'where do we want to be?'

However, to be of practical use these general topics have to be broken down into more specific areas, Scott (1996) suggests that a company should first define its critical success factors. Then identify the specific business processes that are conducted to achieve that success, this also ensures that the company does not waste time examining areas that are of little importance. Similarly, the better you define what you want to measure the more useful the information will be, especially when it comes to comparing the data. If the project involves benchmarking with another company it is essential that the examination goes beyond looking at the level of excellence that they have achieved but also attempts to gain an understanding of exactly how and why the excellence was achieved.

Fig. 2.8 The Benchmarking Process



Source: Bendell, T. Boulter, L. and Kelly, J. (1993) *Benchmarking for Competitive Advantage* Pitman Publishing, London.

2.73-2 Who to Benchmark against: According to Codling (1997) many of the perceived problems associated with benchmarking studies centre on matters of process or partner selection. However, Ramabadron, Dean, and Evans (1997, p.43) suggest several criteria to determine the appropriateness of a potential benchmarking partner:

1. They have prior benchmarking experience.
2. They have non-competitive product lines.
3. Team members readily agree on its choice as a partner.
4. The nature of the information being sought is not too sensitive.
5. The findings from that organisation would not be too difficult to implement.
6. Implementation would enable the benchmarking organisation to achieve substantial improvements in the benchmarking topic area.

Furthermore, deciding who to benchmark against, will be dependent on the topic or area that has been selected for benchmarking, along with the resources that the company has to put into the project. Finally it is highly dependent on the challenge that the company is prepared to undertake.

2.73-3 Collecting the Benchmarking Data

According to Cook (1995), finding the correct information to collect is the key to the implementation of a successful benchmarking project. She suggests that the data collected should be both qualitative and quantitative and as has already been stated asking the right questions is the only way of ensuring that you will get the right answers. While it is generally accepted that the best source of information is that which is generated through the direct exchange of data between companies, it is in addition suggested by Bendell, Boulter and Kelly (1993) that a lot of useful information can be obtained from outside sources such as; annual reports, public databases, research institutes, government agencies and so on.

Cook 1995 goes further and suggests that there are four main sources of information available to benchmarking teams;

1. Desk Research – is information obtained without actually having to leave the organisation, these are sources such as company libraries, corporate publications, directories, data bases and industry journals or market research company's reports, trade associations, industry networks and media reports.
2. Third Parties – such as consultants and research firms provide a useful source of data. The main disadvantage of using a third party is that it 'distances the project team members from the process, and a lack of ownership may ensue' (Cook 1995, p.101). The main advantage of the third party is that in general they have greater access to competitor information.
3. Direct Exchange – involves the transfer of information with an external or partner company. The most common forms of media for such transfer are;

- Telephone Surveys
- Written Questionnaires

- Video Conferencing
- Tele Conferencing

4. Finally, site visits are the fourth option for collecting benchmarking data, and are normally seen as the last option, and in many cases are not necessary at all. Site visits involve members of the benchmarking team visiting their partner companies premises to see first hand how exactly they are 'doing things'. These sort of 'best practice' visits have become so popular that according to Scott (1996, p.50), companies like Nissan are receiving almost four hundred visits per annum. Clarke (1995), also acknowledges that benchmarking is about learning from one another, but he also points out that this learning can only take place freely if both parties involved can see benefit from it.

According to Ramabadron, Dean and Evans (1997, p.53), the constraints that arise when it comes to partner selection and data collection, are due to:

- Lack of preliminary information about potential partners.
- Lack of time on the part of proposed partners to participate in a project because of prior commitments.
- Problems faced by the team in establishing relationship up-front with key personnel
- There may be legal or ethical problems
- The information required may be sensitive or confidential
- Teams may have to accept the most appropriate partner organisations from among those that are willing to share information with them even though they may not be ideal for a benchmarking project.

The actual value of conducting a benchmarking project will be dependent on the extent to which these constraints for partner selection and data collection are present, and effect the project.

2.73-4 Analysing the Data and Implementing Improvement

The data generated from any given benchmarking project will be dependent on the practice that was being examined. However all data according to Bendell, Boulter and Kelly (1993, p.73) should contain two elements 'what is achieved in terms of numbers (the performance metrics) and how and why it is achieved (the practice). One without the other is of little use. Both types of data need to be analysed and assessed in terms of current practices. The two questions that evolve as a result of this analysis are, just how big is the gap between performances and how much of their practices is actually transferable to your company, (which may be in a completely different industry).

According to Gable, Fairhurst and Dickenson (1993, p.59) it is up to those doing the analysis to determine the 'current level of performance and the gap to the expected level of performance. As a comparative process, there is the need to possess and understand the internal performance on which to evaluate strengths and weaknesses'.

If it is possible to directly compare the data, the gap in performance will be obvious, on the other hand it may be difficult to transfer the data and therefore the gap is less meaningful. Another difficult question that must be answered, is how do you bridge the gap to get from 'here' to 'there'. This issue is best tackled on a team basis. According to Bendell, Boulter and Kelly (1993, p.74) once a decision has been made the implementation of the necessary changes must be 'planned and steered' and the resulting progress monitored so that the position of the company in relation to the benchmark can be constantly tracked.

When the analysis is completed the next step is to look at the resultant gaps and from them to project future performance levels. Gable, Fairhurst and Dickenson (1993, p.59) point out that, 'since benchmarking is not a static process, performance levels have to be constantly re-calibrated'.

2.8 Chapter Summary

The preceding chapter focuses on highlighting the importance of service excellence to the modern business. It demonstrates through the service profit chain how attention to the appropriate factors can produce growth and profitability for any service firm. The cycles of mediocrity and success are discussed, and comparisons are made between employees and customers experiencing both types of cycle. The chapter ends by discussing two further elements that are recognised as being important when it comes to the attainment of service excellence: leadership and benchmarking.

In relation to the research, this chapter explores why a company would want to achieve excellence and describes practical steps that can be taken in order to strive for that goal. Questions were therefore included in the theme sheet to incorporate aspects such as working conditions, empowerment, the view and importance of service excellence, benchmarking and leadership. Informants are also asked to comment on the two cycles to see if they can identify with them. The following chapter discusses the methodology that was employed in order to conduct the primary research.

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Chapter Three

Research Methodology

3.0 Research Methodology

It is the objective of the methodology chapter to outline the particular rationale chosen to conduct the primary research, however in order to do this and to aid in the justification process it is often necessary to compare the alternatives available. Therefore this chapter commences with a broad overview of the two main methodologies available to the researcher, and then narrows as the specific course taken is highlighted and justified.

There have been many debates as to the scientific nature of marketing and thus marketing research. Similarly the battle between quantitative and qualitative methods has adorned many research journals. Indeed it is very difficult to read the literature on qualitative research without seeing it in some way compared to quantitative, especially when it comes to highlighting its limitations. However it is not the purpose of this chapter or indeed this study to continue the debate or to try and find the solution as in reviewing the literature it appears not to be appropriate to do so. Rather it is the intention to justify the specific methodology chosen for this study and in doing so support the case study as a legitimate research tool.

A qualitative methodology formed the basis for this study. However in order to establish qualitative research as the appropriate tool for this investigation it may be beneficial to compare it briefly to its quantitative counterpart in order to highlight why one was chosen over the other. Again it is not the intention to determine whether one method is better than the other. To do this, it is fitting to examine the schools from which both methodologies evolved: Positivism (Quantitative) and Humanism (Qualitative).

3.1 Positivism versus Humanism

The doctrine of positivism can be traced back to the sixteenth century. However according to Gabriel (1990, p.508) in its modern form in market research it has come to mean 'those attitudes which prefer research that is seen as involving a minimum of interpretation and a maximum of facts'. This definition of course would always assume quantitative techniques.

According to Cassell and Symon (1994, p.2) the positivist paradigm is based on the assumption that there is an 'existing truth in the world' and that this truth can be revealed through scientific method. The focus here is on measuring systematically and statistically the relationship between variables. Humanism on the other hand as it is understood in market research 'holds that the study of people in areas such as psychology, sociology, marketing and market research calls for special people-oriented methods' Gabriel (1990, p.509). Humanists maintain that the methods of the natural sciences are at best incomplete, and at worst inappropriate for this type of research. Central to the humanist approach is the desire to hear and think about what people say in different contexts rather than seeking responses that can be put into coded categories.

Both approaches have a number of assumptions or axioms associated with them and are in essence the fundamental guidelines behind their beliefs. The positivist science is based on axioms that assume:

1. A single, tangible reality consisting of discrete elements.
2. The division of discrete elements into causes and effects.
3. Independence between researcher and phenomenon.
4. The possibility and desirability of developing statements of truth that are generalizable across time and context.
5. The possibility and desirability of value free, objective knowledge discovery. (Hunt 1983; Lincoln and Guba 1985; Outwaite 1983 in Gabriel 1990)

The fundamental beliefs of humanistic enquiry are also highlighted in Hirschman (1986, p.238);

1. Human beings are construct multiple realities. These realities can be comprehended only as gestalts, that is holistically.
2. The researcher and the phenomenon under study are mutually interactive. The researcher cannot 'distance' the self from the phenomenon nor can the phenomenon be understood without the personal involvement of the researcher.

3. Research inquiry is directed towards the development of idiographic knowledge.
4. Because phenomena are engaged in a process of continuous creation, it is meaningless to designate one set of phenomenal aspects as 'causes' and another set as 'effects'.
5. Research inquiry is inherently value-laden because researcher values inevitably influence the choice of phenomenon, choice of method, choice of data, and choice of findings.
6. Research inquiry is a social construction resulting from the subjective interaction between the researcher and the phenomenon. Thus, knowledge is subjectively attained; knowledge is constructed, not discovered. (Denzin 1983; Lincoln and Guba 1985; Morgen 1983)

As a result of these differences Hirschman (1986) points out that it would be impossible to merge or find a compromise between the two viewpoints. She likens it to trying to merge Buddhism and Mohammedanism, it would neither be possible or appropriate. Or in the words of Howe and Eisenhart (1990) it would be misguided. Similarly it would be wrong to suggest that one way or the other is the 'right' way to conduct marketing research, as there is nothing to be gained by limiting perspectives. The R&D Sub Committee on Qualitative Research (1996) agree with this assertion. They suggest that qualitative and quantitative research should not be positioned as opposed or mutually exclusive. Indeed in many circumstances both types of findings can be complementary. The guideline that they believe should be employed is that selection of a particular method should be based on the purpose of the study. There are certain types of data that are best-generated 'by formal methods' and there are other data relating to 'experiences, feelings, attitudes and comments' that are better tackled by qualitative methods (p.115).

The general opinion therefore is that it is methodology that differentiates the two approaches. Indeed Colwell (1990) is of the opinion that it is the prime difference. Quantitative research is typified by data from large volumes of respondents. In many cases rating scales are used and then subjected to

formal statistical analysis. Qualitative research in contrast can be described as open-ended. It is the analysis of unstructured content to discover important themes. The controversy about the qualitative approach he feels stems from the fact that the conclusions are based on the researchers interpretation. Depending on his/her skill and extent of expertise and experience. Therefore it would seem that the scepticism stems not from the method but rather relates to the expertise of the researcher. The importance of the researcher is therefore examined later in this chapter.

Wallace (1984) is of the same opinion as the R&D Sub Committee and Colwell in relation to methodology. Again he agrees that the decision to use one or the other will depend on the nature of the research problem. The techniques he believes are not interchangeable but can be complementary. He also comments on differences relating to the methods of enquiry. Qualitative research involves open-ended questions. It is flexible in that respondents produce some interesting statements that need additional probing and can be used to identify possible new issues. In general interviews are longer in length than those designed for quantitative research. It is common that an hour or more is spent with informants as opposed to fifteen or twenty minutes needed to answer a questionnaire. It is Deshpandes's (1983) view that it is the responsibility of the researcher to understand the advantages and disadvantages, the strengths and weaknesses of both approaches and make a selection based on this knowledge. However, despite these factors including, the fact that marketing is considered a social rather than a physical science there are still those practitioners who have doubts about the humanistic approach and find difficulty in breaking away from their positivist stance. Perhaps to appreciate more the benefits that a qualitative approach can make to market research, it may be helpful to look at it in more depth.

3.2 Qualitative Research

Historically according to Bartos (1986) qualitative research emerged out of various streams of theory and practice in the social sciences. Much of the research in social science is qualitatively based due to belief that not all

problems are easily quantified. The R&D Sub Committee (1996, p.110) put forward the view that qualitative research generates information that is too 'subtle and too complex to be tailored to the structured, standardised techniques and criteria of quantitative research'. The simple reason being that humans, display emotions such as love, loyalty and humour that cannot be factorised and quantified. Similarly it is difficult to design a questionnaire that can effectively elicit information about the interviewees thoughts feelings and attitudes. Indeed historically it was because of this deficiency that qualitative techniques were first used. The methods used are flexible and the interviewer has control as s/he can dictate the subject matter and the length of time spent discussing it.

According to Sykes (1991) qualitative research offers the opportunity to get from respondents what they uniquely have to offer. Part of the value of this kind of research is that the data generated is in the respondents own words. Very few constraints are enforced by the researcher although some kind of model is normally developed as a framework for the enquiry. Her position is that 'any efforts that are made to illuminate the way in which things are done, and to think about and discuss why they are done in that way, help take us forward' (1991, p.11). Moran (1986) agrees with Sykes (1991) and states that it should be the goal of the researcher to produce that 'aha!' moment, and whether this is done quantitatively or qualitatively is irrelevant.

Therefore for the interests of this study and the nature of the data required the researcher felt that a humanistic or qualitative approach was the most appropriate. Additionally there are a number of assumptions associated with qualitative research which differentiate it even further from its quantitative counterpart and justify it further for this study. Creswell (1994) cites Merriam (1988) in listing these assumptions:

1. Qualitative researchers are concerned primarily with **process**, rather than outcomes or products.
2. Qualitative researchers are interested in **meaning** – how people make sense of their lives, experiences and their structures of the world.

3. The qualitative researcher is the **primary instrument** for data collection and analysis. Data are mediated through this human instrument, rather than through inventories, questionnaires, or machines.
4. Qualitative research involves **fieldwork**.
5. Qualitative research is **descriptive** in that the research is interested in the process, meaning, and understanding gained through words or pictures.
6. The process of qualitative research is **inductive** in that the researcher builds abstractions, concepts, hypotheses, and theories from details (p.145).

3.21 Qualitative Research Problem

In addition to these characteristics there were a number of other criteria cited in Creswell that the researcher felt justified the adoption a qualitative approach to this study. These criteria related specifically to the research problem. The first of these criteria is that the concept behind the research problem is immature due to a lack of theory and previous research. After a comprehensive search the researcher found that there have been no studies of this particular kind done in an Irish context based on an Irish company. Secondly, Creswell (1994) also states that there is a notion that the current theory is inaccurate, inappropriate, incorrect or biased. In this case the researcher is in fact using the study to determine how in fact the current literature compares to the real life practices of the company. Thirdly there is an infinite need to explore and describe the phenomenon and to develop theory. As was mentioned above there is a huge lack of research evidence available to support the current literature associated with this study. Therefore the need for description and exploration is huge and the opportunity to develop theory is also present. Finally the research problem may not be suited to quantitative measures. This particular study is not interested in statistics and facts or as Bartos (1986) puts it measurable behaviour and attitudes. Rather the objective is to determine how a company moved from one reality to another taking into account the emotional and textual aspects of the participants in the study.

3.22 Limitations of Qualitative Research

Wallace (1984) and Sampson (1996) both believe that qualitative research is often merely regarded as preliminary work. A single stage in a large scale study, or as a pilot study for quantitative research. Qualitative research involves work that is more intensive and time consuming than quantitative and calls for a high level of expertise at the execution and analysis stages. Sampson highlights another well cited criticism of the qualitative method, by asserting that the validity of the results produced is questionable. This is due to the fact that no proper scientific sampling is used and the sample of respondents is normally low.

The R&D sub committee on qualitative research (1996) do not dispute the fact that the method is not 'scientific'. However they hasten to add that it is not scientific in the same sense as the statistical sampling and formal interviews of quantitative research claims to be. However in their view this does not imply that all the rigor of sampling is abandoned when using the qualitative method. They believe that the purposive sampling normally employed for qualitative research does have a statistical basis.

Sykes (1991) discusses a third limitation that frequently appears in the literature. She believes that it is the sometimes cited benefits of qualitative research (its flexibility and absence of rigid experimental control) that bring doubt to its ability to produce reliable findings. A question that is commonly asked is whether the same study carried out by a different researcher would produce the same findings. Her answer to this question would be, that the inherent interaction between problem analysis, data generation and analysis in qualitative research make it difficult to separate researcher effects from method effects. Indeed she believes strongly that it may not be relevant to try and do so.

Sykes (1991) believes there is a better solution to the reliability question. She suggests that it would be of more benefit to increase the reliability by making the research process as transparent as possible, so that readers of the research can easily identify the models and assumptions used to guide the

research and the process by which conclusions have been arrived at. Therefore if the same research results in different conclusions it should be possible for the reader to see why and use their own judgement in deciding which one to accept.

Gummeson (1991) suggests that knowledge of the limitations of qualitative research is a useful thing. He believes that a strong awareness of the possibilities and limitations of this methodology should lead to improvements in the usefulness and quality of qualitative research in business. It was mentioned in the introduction that a specific type of qualitative research was to be undertaken. The case study method was selected as the best method of investigation for this study. As it is generally regarded as the lesser known of the research methodologies, it may be helpful to discuss and justify it further.

3.3 The Case Study

According to Gummeson (1991) the use of the case as a research tool is becoming increasingly popular in organisational research. Indeed Roche would go as far as to say that case studies are “in vogue” in business studies. The case study is loosely defined by Brannick (1997, p.13) as an empirical enquiry that ‘investigates a contemporary phenomenon within its real life context when the boundaries between the phenomenon and context are not clearly understood.’ It is described by Eisenhardt (1989) as a research method that concentrates on comprehending the dynamics present within single settings. According to Yin (1994) the case method is preferred when ‘how’ or ‘why’ questions need to be answered and when the investigator has little control over events. The case study is used in many situations as a research strategy in:

- Policy, political science and public administration research.
- Community psychology and sociology.
- Organisational and management studies.
- City and regional planning research, such as studies of plans, neighbourhoods, or public agencies.

- The conduct of dissertations and theses in the social sciences – the academic disciplines as well as professional fields such as business administration, management science, and social work (p.1).

Blaxter, Hughes and Tight (1996) suggest that the case study method be used when the researcher wants to focus on one example or maybe just two or three. The example can be the researcher's place of work, an institute or an organisation, a school, a ship or a prison. Or it may even be some element of any of the above. Bonoma (1989, p.199) describes case research as a model of discovery that leads to a set of theoretical generalisations from the clinical observations, clinical 'constraint testing' of these generalisations and eventually a clinically validated theory of some marketing phenomenon. Bonoma also notes that the stimulus for the case study method need not be an organisational crisis or problem, it can also be constructed to learn about a healthy management or successful organisation as is the case with this study. According to Hakim (1987) case studies can be used to explore, describe and test out, hypotheses and ideas in various combinations. As a result of these many possibilities Hakim feels that case studies are probably the most flexible of all research designs. They offer the strength of experimental research in natural settings.

3.31 Single versus Multiple Case Studies

As a research tool the case study focuses on understanding the dynamics present in a real life setting. The approach can be based on either single or multiple case study designs reflecting different design situations. The decision to use either the single or multiple method to answer research questions has to be made prior to data collection.

3.31-1 Single – Case Designs

According to Yin (1994) the single case study design is analogous to a single experiment, therefore some of the same rationales apply. There are three major rationales that serve as strong reasons for conducting a single case study. The first is when the case represents a *critical case*. In this situation the case is testing well formulated theory. 'The theory has specified a clear

set of propositions as well as the circumstances within which the propositions are believed to be true' (Yin, 1994, p.38). The single case can be used to confirm, challenge or extend the existing theory, in this regard the single case can offer a substantial contribution to knowledge and theory building.

A second rationale is when a case represents an extreme or a unique situation. Here the occurrence of the phenomenon is so rare that any single case is worth documenting and analysing. This method is commonly used in clinical psychology. The third rationale is the revelatory case. In this situation the investigator 'has an opportunity to observe and analyse a phenomenon previously inaccessible to scientific investigation' (Yin, 1994, p.40).

While these three rationales serve as the main reasons for conducting single case studies, there are other situations where this particular design may be adopted. This is normally the situation where case studies are conducted as a prelude to further study. As such they are used as exploratory devices or as the pilot study for a multiple case study design. In these circumstances the single case study is not regarded as a complete study in its own right.

As with all research designs the single case study approach does have its drawbacks. One such drawback is that the case may not turn out to be the case it was thought to be at the outset. Therefore the design requires 'careful investigation of the potential case to minimise the chances of misrepresentation and to maximise the access needed to collect the case study evidence' (p.41). As a result it is essential that one does not commit to a single case study design until these concerns have been attended to. Having regard and taking into account these limitations is important because when used properly the single case study is a very powerful research tool. As Gummesson (1991) points out it is not necessary to conduct a large number of cases in order to understand the in depth mechanisms of change.

3.31-2 Multiple – Case Designs

Multiple case designs are used when the same study involves more than a single case. There are those such as Herriot and Firestone (1983) who believe that the multiple case design is more compelling than the single. However as Yin (1994) points out the rationale for the single study usually cannot be fulfilled by multiple cases. As a result the decision to undertake a multiple case design should not be taken lightly, and it should be ensured that each case serves a specific purpose to the overall enquiry. Again Yin (1993) believes that the same logic that is used for multiple experiments should be used for multiple case studies. As such the methodology should be based on replication. Replication means that similar results are obtained for all cases undertaken. Each case therefore must be carefully selected so that it either '(a) predicts similar results (a literal replication) or (b) produces contrasting results but for predictable reasons (a theoretical replication)' (p.46).

Decisions about the number of cases that should be used should not be based on sampling knowledge but rather on the number of case replications that are sought in the study. The goal is not to achieve the results of statistical sampling procedures but rather to extend or replicate the relevant theory. Having taken into account both options it was decided that the single case approach is the most suited to this study's objective. In particular the approach taken by the researcher is the critical case as advocated by Yin. It is testing the well-established literature on managing change and services management. However having made this decision it still had to be decided, what type of case it was going to be.

3.32 Types of Case Study

Yin (1994) distinguishes between three types of uses of case study research: exploratory, descriptive and explanatory. An exploratory case study is normally used as a pilot study. The intention is to formulate precise questions or testable hypotheses for further study. The descriptive case study is an attempt to describe the sequence of events over time. This type of case study is often criticised in scientific circles. However as is pointed out in

Gummesson's (1991, p.25) article in forming descriptions, choices have to be made and 'these choices are guided by our paradigms, access and pre-understanding. There is no description without analysis and interpretation.' Finally with the explanatory case the objective is to 'pose competing explanations for the same set of events and to indicate how such explanation may apply to other situations' Yin (1994, p.5).

Gummesson (1991) believes that while cases may have different characteristics there are two types that are of particular interest. The first is that which attempts to derive general conclusions from a limited number of cases. In the second situation the researcher is interested in arriving at a specific set of conclusions. Here the conclusions relate to a single case because the particular case history is of interest. However both types may produce results of general interest.

Despite the fact that both Gummesson (1991) and Yin (1994) describe 'types' of case study, both believe in the opportunity for an holistic approach. Yin iterates that each three of his strategies can be used for all three purposes. Gummesson (1991, p.76) advocates this by asserting that it is actually difficult to look at the different 'types' in isolation, 'exploratory studies as well as description can be theory generating, descriptions may be explanatory, and so forth'. While at the onset of this study the researcher had been veering towards a descriptive case study arriving at specific conclusions, it was decided having discovered this view not to confine the research process to the confines of one particular approach. Therefore the holistic view was taken.

3.33 Data Collection

Although case studies are deeply embedded in qualitative research they do not preclude the use of quantitative data. Yin (1994) advocates the use of six sources of evidence for case studies: documents, archival records, interviews, direct observation, participant observation and physical artifacts. In using any of these sources Yin (1994, p.78) suggests that a number of guidelines should be followed. These include the use of (a) multiple sources of

evidence, that is evidence from two or more sources, but converging on the same set of facts or findings, (b) a case study database, that is, a formal assembly of evidence distinct from the final case report, and (c) a chain of evidence, that is, explicit links between the questions asked, the data collected and the conclusions drawn. If these principles are incorporated into the investigation it will increase the quality substantially. All three guidelines were followed for this study. Two of the above sources of evidence were used: interviews and documentation. In addition all sources of information were kept on computer file in ordered sequence. And finally in order to extract conclusions from the information gathered a rigid methodology is used. In the analysis section all propositions are related to the theory from which they are derived, followed by a description of the company's practice. Each proposition finishes with the researcher's interpretation based on a comparison of the theory and the actual company practice.

3.33-1 Interviews – ‘Conversations with Purpose’ Burgess (1984, p.102)

The interview is one of the most important sources of case study information. Sampson (1996, p.333-4) cites Karpf's comprehensive definition of the depth interview:

‘A depth interview is generally a lengthy procedure designed to encourage free expression of effectively charged information. It may be used in conjunction with special devices such as free-association and projective techniques. When skilfully and cautiously used by an interviewer having specialised training, the depth interview can reveal important aspects of psycho-social situations which are otherwise not readily available and yet may be crucial for understanding observed behaviour and reported opinions and attitudes’.

The R&D sub-committee (1996) believes that interviews should be used when the requirement is a detailed probing of individual behaviour, attitudes and needs is required. They are also useful when: (p.116-7)

- The subject matter is of an emotionally charged or embarrassing nature.

- Certain strong socially acceptable norms exist and the need to conform in a group discussion may colour group responses.
- Where highly detailed step by step understanding of complicated behaviour or decision making patterns are required,
- The interviews are with professional people or with the people on the subject of their jobs.

The interviews for this study were semi-structured in nature. The main characteristic according to Flick (1998) of these type of interviews are that they involve more or less open ended questions that are brought to the interview in the form of an interview guide. In Mason's (1996, p. 38) view semi-structured or loosely structured forms of interviewing should be characterised by 'a relatively informal style, for example with the appearance of a conversation or discussion rather than a formal question and answer format'.

A hugely important part of the interview process is of course the interviewer. According to Gummesson (1991, p.73) a complete analysis of a specific process will 'require the use of the researchers' personal observations that result from their presence, participation, or even intervention in the actual process to be examined'. In relation to the researcher or interviewer (Jones 1981, p.27) believes that the 'informal conceptual, interpretative and communicative skills of the researcher are paramount'.

According to the R&D sub-committee (1996) it is also important that the interviewer be problem oriented throughout the process, constantly relating responses back to the initial problems while at the same time remaining open to responses that may highlight new factors that alter the importance of existing ones. He/she must have a capacity for 'empathy, sensitivity, imagination and creativity as well as a capacity for logical analysis' (p.113). Additionally the interviewer must (p.119):

- Have intellectual ability yet show common sense.
- Show imagination yet be logical.
- Have an eye for detail and have conceptual ability.

- Show instant empathy yet project themselves neutrally.
- Be able to identify the typical yet think beyond the stereotypes.
- Be articulate but also good listeners.
- Have the ability to summarise concisely is essential but literary flair or style is needed.
- Think analytically but tolerate disorder.

These demands are indeed contradictory and therefore are difficult to satisfy or indeed control however the researcher must try to display all of the above qualities. Wallace (1984) highlights another important point in that the interviewer is not trying to show his/her intelligence but trying to learn new insights. An important quality is that the researcher should be able to probe unique and interesting components and not simply accept everything at face value. Wells (1991) suggests that the researcher must want to know 'why'. Why people think and behave in certain ways, what motivates them, essentially what makes them tick? In order to do this it is essential that the researcher develops good listening skills. Fedder (1985, p.57) suggests that good listening skills are 'best learned through experience and practice: they require concentration, intelligence and sensitivity'.

For the purpose of this study the researcher used a theme sheet to set the direction of the interview. Each theme related specifically to the propositions developed to fulfil the overall research objective for the study. Probes were also highlighted in diagrammatic format on the pages in order to aid the researcher during the process. While these questions constituted the basis for the interview, the researcher ensured that additional questions that evolved during the course of the interviews were also asked. The researcher was also aware that in some cases words used to describe models may not have been familiar to some informants, therefore the probes were also there to offer extra explanation when it was needed. A tape recorder was used with the consent of all informants to record the interviews.

As a prelude to the main part of the primary research the researcher conducted two informal interviews, one by phone and the second in person,

with a company manager. This was done in order to assess the appropriateness and relevancy of the questions that comprised the theme sheet. In addition an interview was conducted with an An Post worker in order to gain an understanding of the background from which SDS was emerging. The bulk of the primary research involved the interviewing of eight people in the company. Each interview lasted approximately one hour. There were four layers identified within the company, top management, middle management, supervisors and frontline employees. It was the intention of the study to determine how change and the drive for excellence had affected the entire company therefore it was felt necessary to talk to people from each of the layers. Therefore two informants were selected from each layer. The same basic theme sheet was used for each layer as the researcher felt it was important to seek views consistently on the study's propositions. In some cases however, words were changed slightly to ensure a thorough understanding of the questions by the informants. The researcher also found that it had to be decided during the interview when and in which sequence to ask which questions. Because as was pointed out by Flick (1998) it was found that some questions had already been answered *en passant* and could be left out.

Table of Interviews

	Number	Time (Hours)	Pages (approx)
Informal	3	2	20
Formal	8	10	175
Total	11	12	195

3.33-2 Documentation

Documentary information can take on many forms and is likely to be relevant to every case study topic. According to Yin (1994) the usefulness of documents is to corroborate and enhance evidence that comes from other sources. The use of documents is useful for this purpose in three main ways. Firstly, documents can be useful for verifying spellings and titles of

companies that may have been mentioned in interviews. Secondly, they can supply other details that may corroborate information from other sources. And thirdly, inferences can be made from documents.

The main documents that were used for this study were the annual reports from the company's inception to the present financial year. Administration documents including internal documents proposing change and company statements on working policy. The internal company magazine and the company CD-rom. Information was also gathered on the internet as well as articles from other mass media. Also previous projects conducted on An Post and SDS were also examined. However, Yin warns that it is important to remember that because something is documented, it does not mean that it lacks bias or that the documents are completely accurate. The researcher must understand the document was written for a specific purpose and audience other than those of the present case study.

3.4 Research Design

Research design for any project is the blueprint for conducting the study. It outlines how the researcher gets from A to Z, A being the research objective and Z being the findings and conclusions. The stages of the research process in qualitative research are according to Sykes (1991), problem formulation, identification of the key information, data collection and analysis. Although these are often presented as sequential stages they are in fact difficult to separate. She believes that the process might better be described as a 'series of iterations with modifications of understanding occurring throughout the interviewing stage as well as during the formal analysis and writing up stages' (1991, p.4). According to Griggs (1987) the importance of establishing an appropriate conceptual framework prior to data collection cannot be highlighted enough. Specifically for case studies Yin (1994, p.20) suggests that there are five components of research design that are very important:

1. A study's questions
2. Its propositions, if any
3. Its unit(s) of analysis
4. The logic linking the data to the propositions, and
5. The criteria for interpreting the findings

3.41 Study Questions

The type of question that is being asked is the main indicator of the research strategy that should be used. The R&D sub-committee (1996) suggest that only when the analysis of the research problem or question is made correctly will the results be of any value. General categorisations used are the familiar 'who, what, where, how and why'. The latter two being most commonly used in the case study approach. For this particular study the overarching question or objective was to determine *how* a company manages activities towards service excellence.

3.42 Study Propositions

While the overarching 'how' question captures what needs to be answered and highlights why the case study approach was selected as appropriate in the first place it does not point specifically to what should be studied. It is only when the researcher is forced to state some propositions that the study can begin to move in the right direction. Therefore it is the function of each proposition to direct attention to what should be studied, within the scope of the study.

The importance therefore of selection cannot be highlighted enough, as in effect the propositions are the guiding force for the entire research process. The propositions selected to drive the primary research conducted for this study were developed and chosen based on the following rationale:

1. What the author felt were the most prominent themes emerging having conducted and contemplated the literature chapters. The two literature chapters were examined both in isolation and as whole to ensure that the

propositions chosen encompassed the relevant areas required to fulfil the research objective.

2. As it was not possible from both a practical and time point of view to research every theme or indeed every combination of themes, discussions and debates were held with both research supervisors to select a final and most appropriate set of themes.
3. Preliminary exploratory research was also an integral part of the decision making process, as it was used to ensure the propositions for final use were relevant and meaningful to the organisation being studied.

It was through a combination of the above three steps that the researcher finally arrived at the thirteen propositions highlighted below:

Proposition One: Changes that result in variations in work practices will be more likely to be resisted.

Proposition Two: Teamwork is seen as the most effective way to influence and implement changes within an organisation.

Proposition Three: The more support that management gives to workers and the more they are seen to 'walk the talk' the easier the change transition will be.

Proposition Four: Involving those who will be affected by change in the change process is key to a smooth transition.

Proposition Five: Technological changes can contribute to resistance for two main reasons, firstly because technology is often seen to result in redundancies and secondly people fear that they will not be able to cope with it.

Proposition Six: A recognition by all in an organisation of the driving forces for change helps acceptance for the process.

Proposition Seven: Developing a culture of change is essential to the survival of modern business.

Proposition Eight: Identifying the reasons for resistance and then overcoming them helps to ensure successful change transitions.

Proposition Nine: The type of change in question will be influenced by its source, i.e. whether it comes from management or frontline employees.

Proposition Ten: Attaining service excellence is a determining factor of the success of SDS.

Proposition Eleven: A clear vision of the future that is held by everybody is an important factor in determining the success of a change project.

Proposition Twelve: Good communications reduces resistance and makes the change transition easier.

Proposition Thirteen: Benchmarking is a useful tool for companies to assess themselves in terms of their own industry and others.

3.43 Unit of Analysis

The unit of analysis defines what the case is. It is maybe as simple as an individual, or it may be an event or an entity. In the past case studies have been conducted based on decisions, programs, implementation processes and organisational change. The unit of analysis in essence will be guided by the initial research questions and how they have been defined. As was already stated the overarching research question for this study was to determine how a company manages activities towards service excellence. As a result the researcher had to identify an organisation that through change was striving for excellence. The organisation and therefore the unit of analysis identified is SDS as they met the criteria needed for the investigation.

3.44 Linking the data to the propositions and criteria for interpreting the findings.

The last two components of the research design, linking the data to the propositions and criteria for interpreting the findings deal with the data analysis stages of the case study. The analysis of qualitative research is the area that has been least well developed in the literature. However a good research design should lay the foundations for good analysis. The analysis of the data will be examined in greater detail in the following section.

3.5 Analysis

One suggested way of linking the data to propositions is called 'pattern matching'. This involves taking the information generated from the case and linking it to theoretical propositions. This strategy first suggested by Campell in 1975 was used to aid the analysis of this study. Campell interpreted his case studies based on rival propositions. Either the theory had 'effect' or had 'no effect' in other words when the findings were compared to the theory the propositions were either accepted or rejected. McCutcheon and Meredith (1993) and Griggs (1987) suggest that the starting point for case study analysis should be data reduction. This is the process of sorting out patterns from the masses of material that can be generated by case studies. Griggs describes this process as: summarising and paraphrasing, selecting some things and excluding others, subsuming specific instances into larger patterns and quantification into numbers and ranks.

Jones (1985) also points out that a lot more has been written on qualitative data collection than qualitative data analysis. However in her view this is not that surprising as qualitative data analysis is a highly personnel activity. It is a hard, tedious slog that involves a process of interpretation and creativity that is somewhat difficult to make explicit. She makes a similar point to that made by Sykes (1991) earlier in relation to depth interviewing, that there are no definite rules that can be followed step by step to ensure that two researchers could reach identical conclusions from the same set of data. The purpose in her view of the analysis process is to understand the world of the respondents as they construct it and to structure the data, giving it meaning and significance for any relevant audience. Robson (1993) agrees with Jones's assessment that there is not enough written on qualitative analysis. She feels that qualitative research analysis is on the whole taken for granted and that the analysis of such data is rarely a decision criteria when choosing the method.

According to Quinn Patton (1987), analysis and interpretation are distinct processes. Analysis involves organising the data into categories, patterns

and basic descriptive units. Whereas attaching meaning, significance and looking for relationships is the process of interpretation. He also makes the important point that the beginnings of analysis actually occur at the data gathering stage as some ideas about the analysis and interpretation begin to occur. It is also important to establish prior to undertaking the analysis and interpretation if there are any glaring holes in the data that could be filled by collecting further information.

Analysis of data is described in Robson's (1993) article as pulling data apart, then pulling it together. She too believes that analysis is a two step process, very like the one advocated by Quinn Patton. However she describes it as an activity involving two interlocking, interacting processes: data handling and thinking. Data handling like Quinn Patton's analysis involves the process of organising and structuring the evidence. And thinking like the interpretation mentioned above describes the mental process by which researchers draw their conclusions from the data gathered and their overall experiences from when the project commenced.

Just attempting to make sense of all the interview pages can be an overwhelming task. The first thing that Quinn Patton suggests is that the researcher makes sure that all the data gathered has been compiled and that there are no bits missing. It also helps to have a number of copies of the data as a great deal of the work involved is creative cutting and pasting of the data. He also points out as was done so by the R&D sub committee on qualitative research that the analysis of data generated from qualitative methods is a creative process. Statistics and formulas are not part of the picture. And because people manage their creativity in different ways there is no one correct way of going about the process.

Both Jones (1985) and Quinn Patton (1987) have similar ideas for the analysis of qualitative research. The latter suggests that qualitative research involves:

‘identifying coherent and important examples of themes and patterns in the data. The analyst looks for quotations or observations that go together, that are examples of the same underlying ideas, issues or concepts. Sometimes this involves pulling together all the data that address a particular evaluation question’ (1987, p.149).

Jones (1985) puts forward the idea that a great amount of analysis is actually concerned with coding the data into categories, physically putting the data into appropriate sections that illustrate categories. She suggests cutting up the data and arranging it on large sheets of paper, according to the relevant categories aids this procedure. In doing this connections are being made between the data concepts and theories that define the investigation and whether these theories can be confirmed, elaborated, modified or rejected. She suggests that if the research is academically based references should be made to existing relevant theory and words like models and theory should be used freely.

Another important question that often arises relates to the units of analysis that should be used, whether it should be a word, phrase or sentence and so on. However Jones asserts that the researcher should be looking for chunks of meaning the length of which are irrelevant. Furthermore she believes that the whole ‘length’ argument is inappropriate because meaning is given by context.

Quinn Patton suggests the use of content analysis to help with the classification of data because he believes that without classification there is chaos. He also recommends several readings of the data before it can be completely indexed. The basic purpose of content analysis is to simply organise complex data into meaningful and manageable themes or categories. According to Kassarian (1977, p.11) content analysis ‘can be particularly helpful when the objective systematic evaluation of material is needed’.

An additional characteristic highlighted by Quinn Patton of the analysis of qualitative methods is that by its very nature it will involve a lot of pure description. It involves description of the program and experiences of the people involved and affected. The intention is to inform the reader about what happened in the program. To describe what it was like from the participants point of view to be in the program and effects particular events and activities had.

When it comes to analysis another question that is often asked is whether qualitative research should be quantified. Griggs (1987) asserted that the final step in data reduction was to quantify into numbers and ranks. However the answer according to the R&D sub-committee is, that it should be, if possible. They feel that numbers help give comfort to those who are otherwise sceptical about the approach. However they also hasten to add that sometimes it is impossible to quantify and sometimes it would be unacceptable to try and do so. Robson (1993, p.30) has stronger views on the quantification of qualitative data. She is not in favour of the idea and feels that 'it is the quality of ideas that count not just their frequency in the data'.

While it has been established that there is no one right way to conduct qualitative data analysis, there are according to the R&D sub-committee (1996, p.119) a number of methods and skills that can be employed to help improve the quality of the research:

- Tape recording of the interviews followed by a complete playback.
- Preparation of edited transcripts.
- Systematically relating and classifying the information according to problems and objectives and according to respondent source.
- Seeking of patterns, relationships and ideas by relating new found data with existing data, seeking to construct support and or explode hypotheses.
- A clear separation between what are findings and what is interpretation.

The procedures used for the analysis of this study drew on the experience of the many experts mentioned above. Essentially it is the job of the researcher to present the data collected, in a significant and meaningful way, so that it can be understood by any relevant audience. The initial task was to listen to the tapes thoroughly, this was the first step in deciding what data should go in each category. Transcripts were then prepared. Where data could be reduced it was, information that the researcher felt was irrelevant was omitted. The major task of *pattern matching* as described by Campell or according to Jones' *categorisation* was undertaken next. The suggestion made by Jones to use large sheets of paper to organise the data was used. Each sheet represented a proposition, and all information relating to the proposition was pasted to the sheet. It was highlighted beside each cutting, the organisational layer from which the information had come.

The presentation of the analysis was conducted in a systematic way in order to make it apparent to any reader, how the researcher arrived at conclusions. The analysis for each proposition began with the proposition itself. Followed by a brief description of the theoretical background from which the proposition came. The actual practice of the company in relation to the proposition is then described. This section is based purely on the information obtained in the interviews and does not contain any personal judgements or insights of the researcher. Finally the researcher highlights the conclusions based on her personal observations and by comparing what had been suggested in the literature to the actual practice in SDS.

3.6 Sampling

As was stated earlier in the chapter a major criticism of qualitative research relates to its sampling procedures or as some would put it, the apparent lack of any. According to the R&D sub committee qualitative research involves a small sample of respondents. The respondents are normally selected purposively, not by using formal statistical sampling. As a result and 'owing to the softness of the data, such conclusions as are drawn may be

impressionistic and inevitably have an air of subjectivity about them' (1996, p.114).

Sykes (1991) says that the major rationale for the use of limited sample sizes is the large amounts of dense data that is generated. She agrees that qualitative samples are generally described as purposive. This means that they are non-probability selected to increase the chances of generating data that covers the range of issues, phenomena and types of individuals that are of interest to the study. However she is also quick to add that this does not mean that samples are haphazard. Current information and expectations about the important information required are used to identify potential respondents. Colwell (1990, p.17) raises an interesting point by stating that 'the apparent absence of formal structure and numbers does not make qualitative research unscientific and nor for that matter does the presence of formal structure and numbers make quantitative research scientific'.

Wallace (1981) offers additional criteria on which the selection of informants can be based. He suggests that samples are based on the respondents' knowledge and willingness to co-operate, therefore knowledgeable people who are willing to talk and share their experiences are the ideal candidates for qualitative research. The informants for this study were selected purposively based on both Wallace and Sykes criteria. Seven of the eight respondents worked in An Post before transferring to SDS and therefore had the ability to compare both organisations retrospectively. All eight had been with SDS long enough to give detailed and informed opinions on the changes that had taken place. Additionally informants were purposively selected based on the role that they play in the company. As was mentioned earlier it was the intention of the study to assess change in terms of the entire company therefore two informants were selected from each layer. The researcher remained open to the possibility of conducting more interviews with the various layers however it was felt that after the initial eight interviews saturation had occurred. The contribution of additional interviews would have been marginal.

3.7 Generalisation

Another major criticism that deserves further attention is the question of generalisation. It is a criticism that in fact stems from the sampling issue. Those who would have little or no faith in the method would state categorically that it is impossible to draw any generalisations from qualitative research. However those who advocate the approach have developed their own theories on the topic.

There are those such as De Groot (1986) who would still be termed sceptical, as he believes that because of the small number of people involved and the lack of scientific sampling used, qualitative findings cannot be generalised to the population with any degree of certainty. Wells (1991) would counter this by saying that qualitative research is not a science, it does not need to generate results that are representative. In fact it does not even have to be replicable because you cannot re-create precisely identical research conditions time after time. Too much is changing within and outside the research. Wells goes as far as to suggest that we should 'revel in the joys of seeming inconsistency, to harness the energy of change. You cannot have change without inconsistency' (1991, p10). Therefore the researcher should try to ensure the consistency of one project rather than focussing on the ability to generalise or replicate.

The R&D sub-committee (1996) also question the appropriateness of applying quantitative measures to qualitative research. They believe that generalisations as a result of qualitative research do not have the same probabilistic logic as generalisations from quantitative research. However qualitative research is conducted on the basis that its assumptions will apply to the larger population than the sample being interviewed.

Sykes (1991) likewise raises the questions as to the confidence with which generalisations or inferences can be made from qualitative data. She believes that in most uses of qualitative research, inferences are being made,

maybe not in a formal way, but in some commonsensical way. Because as she points out, that is what makes research useful.

Sykes cites the example of a study carried out by Reynolds and Johnson in (1978), whereby they carried out twenty group interviews in ten US cities, on a range of topics. The broad substantive conclusions from this study were compared with the findings from a nationwide survey involving a nineteen-page questionnaire, with ninety percent response rate. The substantive conclusions from the two studies were virtually identical, although percentages were attached to the results of the quantitative study. It is her opinion that too much emphasis is being placed on justifying qualitative research in ways that are inappropriate to the method.

Quinn Patton (1987) uses the term 'reasonable extrapolation' to describe the qualitative version of inference or the ability to generalise. Extrapolations according to him are problem orientated, logical and thoughtful rather than statistical, probabilistic and empirical. Sykes (1991) believes that the confidence with which extrapolations can be made depends on careful sample design and huge attention to the details of the research process.

3.8 Criteria for Judging the Quality of Research Design

In addition to the steps mentioned throughout the chapter for improving the quality of qualitative research, there are other tests that have been developed that try to do the same job. In relation to any empirical social research, four tests have been devised that are commonly used to test the quality of the work done. Yin 1994 has identified a number of tactics for dealing with these tests when conducting case studies. The four tests are: construct validity, internal validity, external validity, and reliability.

3.81 Construct Validity

This first test is concerned with establishing the correct operational measures for the concepts being studied. One of the biggest criticisms of case studies has been related to their construct validity. More specifically that the

investigator fails to develop a 'a sufficiently operational set of measures and that subjective judgements are used to collect the data' (p.34). However as some advocates have pointed out, due to the number of variables which may be generated by qualitative research it may not be possible or indeed appropriate to try and develop operational measures for them, as one risks losing the richness and real life context integrally associated with case studies. Yin (1994) does however suggest three tactics for maximising construct validity; use multiple sources of evidence, establish a chain of evidence and have key informants examine the draft case study report. All of the suggested guidelines are incorporated into the research design of this study. The first two tactics are discussed earlier, while the third involved the final work being given to the company to ensure that findings are accurate and correct.

3.82 Internal Validity

Internal validity is concerned with establishing causal rather than spurious relationships. In essence this means that certain conditions are shown to lead to other conditions. By default this means that internal validity is in fact only an issue for causal or explanatory case studies, where investigators are indeed trying determine whether event x led to event y . Identifying specific tactics for achieving internal validity are difficult to identify however Yin (1994) suggests three possibilities; pattern matching, explanation building and time-series analysis. As was mentioned earlier pattern matching is used as a basis for conducting the analysis of the case study data generated.

3.83 External Validity

This test is concerned with the degree to which the case is generalisable beyond the immediate case study. A major problem that critics have with the case study approach is that single case studies offer an insufficient basis for generalising. However they make these criticisms based on a desire for the statistical generalisation that is associated with survey research. Case studies however (as with experiments) are only concerned with analytical generalisation, whereby the investigator attempts to generalise a particular set of results to some broader theory. Generalisation unfortunately is not

automatic, therefore to improve external validity Yin (1994) promotes the use of replication knowledge in the case study design.

3.84 Reliability

The goal of reliability is to minimise the occurrence of errors and biases in the study. Reliability is deemed to be high if the exact same study conducted by another investigator arrives at the same end results and conclusions. Yin (1994) suggests that to ensure reliability one should work as if another is looking over your shoulder.

Hirschman (1986) however believes that because qualitative research stems from a humanistic science the criteria for quality as described by Yin are inappropriate. The criteria cited by Yin, she believes are more suited to positivist enquiry. As an alternative Hirschman suggests that more appropriate criteria to judge humanistic enquiry would be: credibility, transferability, dependability and confirmability.

3.85 Credibility

Advocates of humanistic enquiry reject the metaphysical basis in which the positivist science is grounded and as such the criterion of internal validity becomes unsuitable. The assumption that the world is composed of discrete causal relationships is rejected and the possibility of multiple constructed realities endorsed. As a result there is no concrete benchmark for validating ones interpretations rather what the humanistic enquirer must do is establish credibility. In order to determine credibility it is suggested that the researcher presents the findings to those individuals on whom the work is based and seek their opinions as to its authenticity.

3.86 Transferability

Transferability is equivalent to external validity. Where externally validity is concerned with generalising across populations, time and conditions, transferability is concerned with the 'transferability of one manifestation of the phenomenon to a second manifestation of the phenomenon' while recognising that no two social contexts are identical, (Hirschman 1986,

p.245). However it is only possible to assess the transferability of an interpretation by comparing it constructed in other contexts and as such it can only be done on a *post hoc* basis.

3.87 Dependability

Dependability is roughly analogous to the concept of reliability in positivist science. The traditional interpretation of reliability referred to the research instruments used, and sought to ensure their stability and consistency. The problem for humanistic enquiry is that the research instrument is the researcher and difficulties arise in trying to ensure consistency among individuals. The solution offered to try and increase dependability is to use multiple human instruments while at the same time recognising that achieving a perfect correlation between multiple interpretations may not be possible.

3.89 Confirmability

In positivist science confirmability is functionally analogous to the concepts of neutrality and objectivity. However they are conceptually based on very different assumptions. An integral part of humanistic enquiry is that the researcher is involved intimately with the topic of study, and not as would be the case in a positivist enquiry, emotionally neutral and distant from the phenomenon of interest. In addition the researcher should be immersed personally in interpreting the data, therefore the results are not expected to be value free as in the positivist approach. In order to confirm if the data generated has been obtained in a logical and unprejudiced manner Hirschman (1986) suggests the use of an outside auditor who is familiar with the phenomenon being studied. In this the research supervisor was deemed to be the outside auditor because of his indepth knowledge and understanding of the project.

3.9 Triangulation

Triangulation is popular method of increasing the quality of case study research. According to Quinn Patton (1987) triangulation serves to strengthen analysis. He highlights four different types:

1. Collecting different kinds of data on the same question.
2. Using different fieldworkers and interviewers to avoid the biases of any one person working alone.
3. Using multiple methods to study a project.
4. Using different perspectives (or theories) to interpret a set of data.

Triangulation can mean many different things. It may involve comparing observational data with interview data, i.e. what people say in public versus what they say in private. It may involve validating data obtained from interviews with documentation, which may involve comparing data from people with different perspectives on a particular topic. Therefore it is probably foolish to expect a consistent picture every time. The important point is to understand when and why there are differences. Griggs (1987) describes triangulation as detective work. The researcher gathers pieces of evidence that all point in the same direction. He suggests that an additional way to check the results is by getting feedback from the respondents themselves.

3.10 Chapter Summary

The intention of this chapter is to highlight and draw together some of the views identified in the literature relating to market research. The case was put forward for the validity of qualitative research as opposed to quantitative for this study. Similarly the various aspects of conducting case studies was also discussed. It also outlined the research methodology used in this study, describing how data was collected and analysed.

The chapter stated the main research objective and the propositions on which the research was based. It is the analysis of these propositions that is discussed in the following chapter.

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Chapter Four

Analysis

4.0 Analysis

This section examines propositions developed by the author from the literature reviewed. The protocol used to arrive at conclusions is to:

- 1) State the proposition
- 2) Provide a synopsis of the theoretical background to the proposition, developed in the relevant chapter of the literature reviewed
- 3) Comment on whether SDS practice coincided or differed from the literature
- 4) Provide a conclusion

4.1 Changes in Work Practices

Proposition 1. Changes that result in variations in work practices will be more likely to be resisted.

Theoretical Background

Honey (1988) believes that one reason why people resist changes in work practices is because they fear that they will not be able to cope in new unfamiliar circumstances. Coghlan (1993) adds to this by suggesting that when employees have been working in the same job for a long time they form habits which means that the familiar or routine is preferred. The level of resistance in relation to changes in work practices will, according to Bryant (1979) also be dependent on the extent to which people view the change as either reducing or increasing their current burdens. However, if the change offers the kind of new experience that interests employees it will also result in less resistance.

There are many different theories on how an organisation can change individual behaviour. The Individual Perspective School believes that in order to change behaviour individuals must change their understanding of themselves and the current organisational situation. Changing behaviour in this way is done by

using both external stimuli and internal reflection. Lewin (1958) who advocates the planned approach to change suggests that change involves three steps, unfreezing the present, moving to a new level and finally refreezing the new level. Quinn (1980) rejects Lewin's assumption that change can be compartmentalised into three distinct stages. He advocates an approach of Logical Incrementalism that involves small changes made on an on-going basis. The Emergent Approach would argue that there is no universal model for change, instead the success of a change project will be dependent on factors such as organisational structures, culture, learning and managerial behaviour. Finally Kotter 1995 suggests that it is the managers job to ensure that individuals are willing to change.

Practice in SDS

In most circumstances the advent of change means changes in work practices. For SDS, changing work practices has often meant changing 70 years of thinking and culture that has been there since the founding days of the State. To make things more difficult they are emerging from a company that would have historically been anti-change. One of the main reasons being, that it is a big company and just turning over from one year to another was easier and less troublesome than trying to implement new ways of doing things. A second reason is that the postal service has a monopoly and for a long time it did not face competition to any of its business units. The unions also can be anti-change not because they were anti-change per se but because they perceive that they should be compensated for change and as result sometimes delay change or use it as a tool for bargaining processes.

However at SDS it was realised very quickly that the one sure thing about business is change and that this is increasingly becoming the case. SDS since its inception has been very much a growing business and that growth in itself has required changes in work practices. One of the most noticeable changes is that now people have to work a lot harder that they did in 1990. Sometimes

getting people to adjust and change was easy and sometimes it was not. Sometimes change was well accepted and sometimes management thought that they were introducing something that was very straight forward and could not figure out why it suddenly became so difficult.

SDS used three strategies to encourage people to change their work practices. The first and probably most ideal approach was that changes were accepted based on goodwill. Goodwill plus the fact that there was an innate understanding that the only way that SDS could survive was by accepting and implementing changes. The second was by educating and involving people when it came to making changes. In some cases people were just happy with the way they had always been doing things. In other cases it was the fear of technology that made them sceptical of change. However through workshops and seminars people learned and understood that there was a need for change. Also, very importantly for SDS they learned that technology was nothing to fear. The third strategy as one manager put it, was to use 'a big stick', people knew that if they did not do things the new way that there would be somebody coercing them to ensure that it was done right the next time. It was not easy having to use this approach but goodwill only went so far and so on occasions they also resorted to the use of power.

Besides the three strategies mentioned above, something else happened that encouraged people to take on the necessary changes. For the first time people were simply thanked for what they were doing. They were told they were doing great jobs and that was something that was never done before. In the civil service days people's efforts were never really appreciated.

Conclusion

SDS did not suddenly arrive at a situation where everybody was willing to accept changes in their work practices. A lot of effort was put into training people and educating them in relation to new practices. Time was taken to

explain to people why they needed to change the way they were doing things. Probably more importantly people had the opportunity to become involved in change processes, meaning to some extent they were in control of the future.

Trying to identify a particular change strategy to describe how SDS undertook change is difficult. Elements of the various models suggested in the literature can be identified. For example the Individual Perspectives School's theory that the most effective way to change behaviour is by using external stimuli and internal reflection can be seen. The external stimuli included the threat from competition that was about to result in the closure of the parcel service in An Post. In the case of SDS the external stimulus induced the internal reflection as people realised that the current practices were no longer appropriate in a changing environment. Lewin's model also has its relevancy. People had to discard their current practices (unfreezing) and they also had to learn a new way of doing things (moving to a new level). However the third step which involves stabilising the organisation at the new performance level (refreezing) is not part of SDS's strategy. The strategy in SDS is to promote continuous improvement through change. Logical incrementalism is also seen in SDS especially when it comes to minor and day to day changes that have to be made. Elements of the model such as, creating awareness and commitment incrementally, need sensing, amplifying understanding and undertaking trial concepts can all be seen in SDS's practices. Of utmost importance is that any arrival at a new consensus does not become finite. Rather the reality that change is a continuous process is ingrained in organisational thinking and belief. When it comes to major changes SDS seems to follow Kotter's 1995 model more closely than any other. The impetus, vision, communication and empowerment for change all come from the ranks of management as is suggested by Kotter in his model. The author has found that it is possible to argue that change in SDS takes on elements of both planned and emergent approaches. It is felt that the approach taken at any one particular time is dependent on the change situation in question. For transformational change,

the emergent approach can be identified as the strategy used whereas ongoing incremental change appears to follow the planned approach more closely. Perhaps it is fair to say then that SDS have truly grasped the uncertainty of the environment in which they work and as a result continually adapt and change their strategy to suit their needs at any one particular time.

Time has emerged as a critical issue in change practices in SDS. Despite the fact that SDS have developed a good strategy in relation to change there are still problems in relation to time. Having time to attend workshops has caused problems, indeed there are those who can simply not attend workshops due to time constraints. Also there is absence of workshops for frontline workers which at times makes them feel that they are isolated from various change processes.

4.2 Teams

Proposition 2. Teamwork is seen as the most effective way to influence and implement changes within an organisation.

Theoretical background.

It was the Group Dynamics School who first suggested a team approach was the best way to implement changes within an organisation. The appeal of this approach has not faded, indeed authors such as Atkinson (1994) believe that the future of change is dependent on the ability to change relationships and how people work together as team players. The team approach is highly participative in nature and involves managers, supervisors and most importantly those that will be most affected by the change. Adopting the teamwork approach means that a more synergistic learning environment is created which maximises knowledge and the creation of ideas. According to Joynson (1997), teamwork pulls together a large pool of knowledge to produce often, brilliant solutions to what may have seemed the most impossible problems. Participation in teams can according to the literature take on a number of forms, it may according to Coughlan (1994) be one or all of the following:

- Face to face working teams in the formal working structures of the organisation.
- Committees or temporary task forces.
- A professional association or trade union.
- Informal groups of colleagues and peers with whom individuals associate and which help shape perceptions and attitudes.

Alternatively Duck (1993) suggests that a Transition Management Team should be used as a steering committee to guide those actually doing the work in the organisation.

Practice in SDS

In SDS as soon as a concept becomes a project, a team is formed to turn that concept into reality. The relevant people are called in to look at what has to be done and then they set about actually bringing the project to completion. In some cases it may be a major change like the ten million pound Automated Sortation Plant or it may be the introduction of a new computer system. The team might only involve two, three or four people, or from a management point of view in some 'horrible' instances it could be as many as sixteen depending on the number of people that would be in a position to contribute something. For example when the Satellite Tracking project got under way it involved security and network people and provincial depot managers. This meant that there was a huge number of people involved who drove the project forward to eventual completion.

Individuals are normally brought onto a project team based on a management decision regarding who they think the change it is going to affect and who they think will have ideas to offer. They then approach the individual and inform them that they are on a team. Another point that is considered is the availability of the person in question because sometimes the most desirable candidates for a project team do not have the time. Occasionally, for really interesting projects people will come and say that they would like to be involved. The teamwork allows workers such as the clerks to work with the different levels of management and to get 'totally involved' in the project and have their 'opinions sought at every stage'. Teams have discussions on a regular basis to decide what are the best courses of action to take, to look at what has already been introduced and discuss its progress and most importantly to listen to everyone's views on the various topics. It is also the role of the team, once it is operational to keep non-team members informed of what is going on.

Sometimes teamwork in SDS has nothing to do with a change project. There are lots of different sections or groups within the organisation that work together in informal teams to make sure that the mail gets delivered. For example there are the drivers who pull together on the roads and the sorters on the floor who work together to ensure the mail is sorted correctly and quickly. Then there are also managers including operators, clerical support and sales all working together to achieve a common goal.

SDS has also set up an official teamwork programme called AFI (Areas for Improvement) teams. This concept involves a never-ending self assessment procedure. There are twelve different teams which have been set up to deal with different areas within the organisation, for example one team was established to deal with communications within the company. The AFI teams prepare an agenda that is agreed on by everybody in order to come up with suggestions for what would be the best way to communicate in the company. For example there might be anything up to twenty suggestions each of which will be discussed and sometimes experiments will be put in place to test their viability. Eventually it will be narrowed down to maybe three or four suggestions that will actually be implemented. Workers within SDS find this to be a very healthy situation as it is not just management that are implementing changes. Instead changes are implemented as part of an 'amalgamated spirit of co-operation'. These AFI teams do not stop at one set of proposals. It is ongoing continuous improvement, they are always looking for new ways to improve current practices. If something very serious needs to be implemented then the proposal would have to go to management, because if it is going to cost money then management have to know about it.

Difficulties for the Individual as part of a Team

It is up to the individual on a personal level to make time for these teams and sometimes from a time point of view it does not work out and they miss meetings. In some cases team members will have other people working with

them who will 'cover for them' while they are at meetings, but it may also be the case that they will have to 'chase their tails' to make up for the time they have missed.

There is a feeling among some frontline employees that teamwork is only at management level. However the processes by which they get the mail out could be considered teamwork. Because they have to fill so many containers they are depending on everybody pulling together to process the mail. Again while some frontline employees have felt that they have not been included in these teams, they would also admit that they would not always be anxious to get on one.

Much of the formal initiative in introducing working through teams has only been introduced in the last year but so far the reaction has been positive. There is a realisation that if they have 13 or 14 people giving their opinion, it means that they can generate a mass of good ideas. If the teams were not there then they would revert back to the old system where one or two managers made the decisions for areas that they are not even working in. And management would admit that some of the decisions that they have made have been the wrong ones. However management are beginning to realise that if a change needs to occur on the floor then the best thing to do is invite those working on the floor to give their input. One simple example of this was when one of the open plan offices had to be decorated. Instead of management just calling in the decorators they asked the people in the office to nominate somebody to go into town and pick whatever colours they themselves wanted. The advantage here was that the workers were able to take the responsibility to create the type of room that they themselves wanted and it also meant that they could not complain to management about the end result. A few years ago even this low level sort of empowerment would have been unheard of.

Conclusion

The commitment to teamwork in SDS has aided the change processes greatly. In fact many of the larger changes have been solely based on the work of teams rather than individuals working in isolation. As the literature has suggested teamwork in SDS can be seen in a number of different forms. It has been formal in terms of sales teams and customer service teams. And informal as is seen in the working practices of drivers and sorters who co-operate on a daily basis to fulfil the mission of SDS without the benefit of a formal team structure. Ducks suggestion that a Transition Management Team should be used to steer changes can also be identified as part of the SDS change strategy. In fact many of the change projects began as a small management team's 'baby' and grew from there with the originator's guidance.

Management in SDS recognise the benefits of teamwork. Just as the literature suggested they have found teamwork invaluable for the creation of ideas and they have also seen the benefit of including on the teams those that will be affected by the change. Despite recognising the benefits of teamwork SDS has not fully incorporated teamwork into the working culture of the company and as such they have yet to use it to its full potential. For example access to teams can be difficult in terms of time constraints, therefore it would help if teamwork was built into the job profile. Allowing specific time for teamwork would not only make life easier for current team members but also encourage others with ideas to offer to take part. Similarly selection for team inclusion is based on autocratic management selection rather than on a policy of self-selection. As a result it may be interesting to determine if this is making a difference in terms of individual performance on the various teams. Finally there still seems to be a lack of frontline influence on most of the teams and to some extent this is actually resented. Frontliners feel that they have more to offer and as yet they have not been given the opportunity to do so.

4.3 Changing role of Management

Proposition 3. The more support that management gives to workers and the more they are seen to 'walk the talk' the easier the change transition will be.

Theoretical Background

According to Critchley (1996) managers are now working against a backdrop of periods of relative stability that appear to be getting shorter, and that are being punctuated by short periods of turbulence that are becoming a lot more frequent. In order to survive organisations must continually change what they do and how they do it. As a result, one of the major roles of the manager according to Woods is to lead his/her people by example. A second is to overcome resistance if it occurs. Kanter (1985) suggests that they can do this by meshing changes with familiar processes to reduce the effects of change. However Seddon (1997) believes that more formal strategies should be put in place to aid the process, these being coercion, rational and normative or re-educative approaches.

Muir (1985) points out that while it is not up to managers to take on the entire change project (indeed in many cases they need not be involved at all) however they must show and offer total support to those that are taking it on. Indeed Darcy and Kleiner (1991) suggest that organisations that have the easiest change transitions are those that both 'encourage change and reward innovation'.

In some cases managers themselves may also resist change. Kotter (1995) feels that there may be a number of reasons for this including that managers;

- do not believe the company needed major change.
- feel personally threatened by change.
- are afraid that they could not produce both change and expected operating profit.

Practice in SDS

In certain cases management in a *controlling* rather than a *supportive* role can still be seen in SDS. It mainly occurs at the frontline where some frontline managers still perceive their role as making sure that if there is supposed to be five people on a job then there are five people on that job. It is this sort of attitude the company have found can be difficult to change. Similarly in some cases it is also the attitude of the frontliners that they supervise, because they are used to being managed in this way and they do not either want to change it or see the need to change it.

The problem may be that frontline managers are still promoted based on seniority and as such may still hold the old An Post attitude. This, they hope may well be the last nut that SDS has to crack in making sure that the right people are in the right jobs across the entire company. The reality is that, as a whole, the staff at SDS do in fact work to a large degree on their own initiative, they do not need a supervisor to tell them that a conveyer has stopped, they simply do whatever is necessary to restart the belt.

The role or probably more importantly the attitude of management has changed a great deal in the company. Five or six years ago for example operations people would be solely concerned with operations and the customer would not have been considered. Now managers from the different areas physically sit down and work out how they are going to meet customer's needs and give them the best service possible. This new found customer awareness is certainly one of the biggest changes to have taken place. People are taking the customer into account before they do anything. Before the question would be 'does this save money' whereas now they ask 'does this suit the customer'. SDS admit that having come from a semi-state background, this new found customer focus is something that would have been unheard of in the past.

Admittedly to some extent there is still an element of watching people to make sure that they are where they are supposed to be, but the decision making processes have changed. Staff are prepared to make decisions for themselves, they do not have to go to management all the time and management is confident that they can do that.

There have also been big changes at upper management level. Before they would have been totally devoid of contact with the staff. They were in their offices where they either looked out through a glass partition, or the practices in the office was reported to them by somebody else. Their attitude was 'I don't have to answer for this as I have a lot of people below me that can take the blame for it.' They ran their offices autocratically from their desks, without consideration for the individual.

Also before if a manager walked around the floor, their presence would be recognised but they would never be approached with suggestions from staff, but that too has changed. Now workers come up to managers on the floor and say 'do you not think it would be better if....?' and if they are right then management has no problem acting on the suggestion.

The days of being narrow minded and parochial are gone. SDS are operating in a modern business world and 'in business you have to be open minded, flexible and able to take other peoples opinions seriously' and if their worker's ideas are better than management then they have to accept that. More importantly when people see that managers are open to suggestions they will come up to them over and over again. And sometimes people will come up to them just for the sake of it but mostly it is genuine people coming up and giving genuine comments and ideas. It means that workers feel that they are making a contribution instead of just coming in and shifting things from here to there. And again they are finding that there are still some people of the old vintage who would still like to operate in the old An Post era and they are finding it

hard to change. The general feeling is that it is probably time for them to go. While management admit that it might sound harsh, it has to be accepted that there is no place in modern business for inflexibility and unwillingness to change.

Conclusion

SDS has changed considerably from the An Post days in relation to the role of management. The initial driving force for this change was the turbulent environment in which An Post was operating. When the decision was made to establish SDS a small senior management team was selected to carry the idea forward. This group consisted of hard working, change oriented people who had a vision of what SDS could become. As a result, from the outset SDS had a different role in mind for its managers. Managers in SDS are trying to lead rather than brow beat employees into seeing new ways of doing things. As they state themselves, they are trying to create a working environment that is based on a 'participative spirit of co-operation'.

Despite this there are areas where control is still a function of the job. However in some cases it is justified to some extent. Because it is such a manual operation, it depends on people doing what they are supposed to do. It may also however be the case that not all managers have fully 'bought into' their new role or that the idea of empowered employees scares them. In some cases SDS management have actually resisted change. Feeling personally threatened and not seeing the need for change have been identified as the main reasons for this attitude. However it was suggested by the interviewees that this sort of negative attitude is limited to a small number of people who have lived in the An Post mentality for so long that they feel unable to change and most in fact are close to retirement.

It has been the preferred strategy of the company to negotiate rationally and re-train people to cope with changes. SDS have used training and negotiation to

help develop a trust between management and frontline that was not there in the past. It has probably been the increase in the level of trust that has led to so many successful change transitions. However on occasion management have had to use coercion to force people to accept new ways of doing things. The reason for this lapse back to coercive behaviour appears to be the busy nature of the industry and the time constraints of the job. Occasionally managers feel that they do not have the time to tease out the finer points and end up demanding that something is done rather than reaching a consensus about how it should be done. However this sort of behaviour is far more the exception than the rule.

It is also interesting that there is a conflict between top management and frontline employees in relation to how they view the role of the manager. Top management feel that they have made themselves open to frontline suggestions however frontline feel that there is still an 'upstairs, downstairs' feeling when it comes to dealing with top management. The author feels that what has happened is that middle management and supervisors are actually bridging the gap between the top and bottom. So in fact communication between the top and bottom is actually mediated by middle managers and supervisors. As a result the relationship between the top and bottom has not yet developed to its full potential.

4.4 Involvement

Proposition 4. Involving those who will be affected by change in the change process is a key to a smooth transition.

Theoretical Background

Atkinson (1990) believes that the success of a change project will be largely dependent on the extent to which the workforce feel that they are a key part of the process. Four of the main reasons for resistance to change as cited by Honey (1988) include, parochial self-interest, misunderstanding and lack of trust, different assessments of the change, and a low tolerance for change, all of which can be attributed to the fact that people have not been involved in the change process. Additionally Bryant (1979) believes that involvement allows workers to discover for themselves what the change process actually involves. They can diagnose the efforts leading to change, examine the basic problem and get a feel for its importance. Also involving resistors or potential resistors in the process will actually result in their commitment to change rather than just compliance. Additionally involving others makes sense from a management point of view because managers do not have all the information and can benefit from the contribution of others.

The true benefits of involvement can only be attained if there is a strong commitment and co-operation between management and workers. There must also be what Burnes (1996) describes as a 'felt need' by both parties meaning that those involved must view the change as being necessary and any worries about the change must be overcome.

Quinn (1980) and Kotter (1995) have different opinions on the value of involvement. Quinn believes in the participative approach to change, involving anybody who could be affected by change or who is in a position to give useful input to the process. He believes that involvement improves communications

and motivates frontline employees who like to contribute ideas to the company. Kotter (1995) on the other hand believes that all proposals for change should come from management, and that it is the ordinary employees' job to follow their instructions. The emphasis in Kotter's approach is shifted back to management and their leadership, and the task of recognising the need for change falls back to them. Both authors agree however that the change project may be initiated by one or two people and that it is important that coalitions grow as the program progresses. However Quinn advocates the use of individuals from all levels to form the coalition whereas Kotter suggests that membership should be based on power, power in terms of titles, information and expertise, reputation and relationships.

Practice in SDS

Job Definition

In SDS frontline workers are to a large extent given the scope to define their own jobs. However if somebody's job is to unload a vehicle then there is not much that can be done to make that interesting. In many work areas in SDS it is simply the case that jobs are boring. However, there is the option to become part of a team. As a result workers can spend a certain part of the time unloading a vehicle and then rotate with somebody else perhaps working inside sorting parcels where a different skill is needed to perform that task. Sometimes this occurs and sometimes people just tend to gravitate towards the job that they like. The important point is that managers have empowered employees to self select their jobs within operational constraints.

Technology has also played a role in how people select their jobs, for example SDS use barcode scanning and computers and some people drift towards using technology as part of the job and others do not. So in many cases rather than people cycling in their shift between the various aspects of the job, they tend to self select the skills they want to use and work accordingly.

Suggestion Formulation

Sometimes suggestions emerge naturally through the process. Because SDS are a twenty four hour business, difficulties if they do arise, occur sometimes between 6.00pm and 4am, outside normal office hours. In this situation the identification of a need for change often comes from a frontline manager. And some managers are better than others at identifying what the need is, and they would participate in developing solutions and others would not.

For formal initiatives individuals are selected by management to give their input. Management selection tends to be based on individual abilities rather than on the roles that they perform. For example as one manager pointed out some Inspectors of Post would be very good and very able to contribute. Others are not and do not want to. And finally others want to and cannot. As a result management feel that there is no point in having certain levels involved if they cannot contribute or if want to bring other agendas to the table. For example introducing the proof of delivery technology involved clerical people and a manager from the area at all stages. This at times made meetings frustrating because there were *union type* agendas coming onto the table at technical meetings. However, the upside was that it made the implementation of the technology very straightforward, there was minimal staff resistance to it. Therefore from change to change, management ask themselves to what extent they need to involve people in it.

The official policy in SDS is to encourage staff to get involved and give their ideas. There are staff suggestion boxes available or they can tell their immediate supervisors their ideas. In general if somebody makes a suggestion and it makes sense from a customer point of view, from a service point of view and a financial point of view then it will be acted on. However in some situations this may not be the case. Somebody in a provincial depot could see it differently than this. Because SDS is such a large organisation a worker in Portlaoise could communicate with a supervisor who may not do anything

about it, and the problem is that sitting in head office the right person just will not know about it. This however is a problem that is well recognised, as communication is very difficult in a company this size but they are continually trying to improve it.

On a day to day basis managers insist that they themselves do not always identify the need for change. Ideas nearly always come from the floor and if they are not acted on, then the company is going to run into trouble. Weekly or daily (if necessary) meetings are held to discuss the various day to day issues that arise. If for example they are going to get an unexpected extra large posting, it would be discussed with the postal operator to find out how it will effect the normal mail and what is the best way to handle it. They would probably meet for 20 minutes or so to draw up the necessary plans to ensure that everything will run smoothly.

Inconsistencies in Involvement

Management also admit that while it is stated all the time during seminars that the frontline are the ambassadors of the company there is a question as to whether this is always backed up. Are they actually given the recognition and resources that they need to fulfil that role? While there are problems sometimes with the resources to enable people to do their job, again there is an awareness of it in the company and they are trying to address the problem.

From a management point of view there has been no resistance to allowing staff to develop their own ideas about how the job should be done. Again however it could be done more formally. There is no formal way for anybody to communicate their ideas, they may bring it to the attention of their local supervisor who may or may not bring it forward to the next level. But there are no regular meetings to contribute ideas.

There is a feeling both from managers and the frontline that some groups are neglected when it comes to change. Management feel that the process of involvement tends to lend itself more to administrative areas, where there are relatively small numbers of people in one area who are already working closely together. This interaction is more difficult for the larger number of people working in the sorting area. As a result some people find the talk of change slightly frustrating because they are 'isolated from the actual process of change'. But this has begun to change as people are now being brought into teams from right across company.

The feeling of middle management and frontline workers in relation to the reality of involvement is mixed. Some still feel that there is still a strong 'upstairs, downstairs' mentality when it comes to involvement. In some cases while they may be informed of what is going on they are not actually involved and as a result good ideas have not been listened to. Middle management have more opportunity to give their input. It is often the case that somebody from management will inform them of changes that have to take place and ask what their opinion is, they discuss it and generally come to a consensus. SDS have learned that having consensus is an important part of the change process.

It is however generally accepted that while frontline workers do give their input with regards to the day to day work, the same opportunities do not arise when it comes to giving input in relation to the direction of the company. One example of this was when the foreign section was being built. The frontline workers expressed their concerns that it was not going to be big enough but they were not listened to by management. Now as a result they are having problems operating effectively in a building that is too small for the work that needs to be done.

In other cases they are just given a piece of paper and told that 'X is starting on Monday' and they have to do it. Whereas they feel that they should be brought

into a meeting a fortnight or so before they meet the customer and be told that 'look we are going after a big contract', so what do you think the problems will be and how can we handle the job as cost effectively and easily as possible. Then they would be better prepared for customers and able to give the best possible service.

In general people are taking on more responsibility and that is simply because of the nature of the business. Customers are becoming more demanding, they are less inclined to be fobbed off and take no for an answer. As one manager commented 'ten years ago if I went home on a Friday I would not be worrying about a phone call I had to make on a Monday morning, you just wouldn't care about it. But now it does happen and I could spend the weekend planning a phone call I had to make on Monday'. This sort of involvement is becoming increasingly necessary to survive in such a dynamic business environment.

Conclusions

The experience in SDS has been that if you get people involved in change projects they take ownership of the ideas and then change comes easier. However their policy in relation to involvement is somewhat haphazard. Different levels have divergent perceptions on how effective and how widespread involvement actually is. Again there seems to be a gap between management and frontline perceptions. Managers feel that they are considering the frontline while the frontline feel that they are isolated from important change processes. Frontline are very frustrated at this because giving their opinions has been spoken about for so long. They feel it has just been lipservice and they do not do it anymore. The 'upstairs downstairs' mentality is still preventing them from contributing effectively.

The feelings of frontline are surprising considering management state that they recognise more input from the floor will give greater and better output as has been demonstrated in the past. One reason for this may be that there are some

middle and frontline managers who fear that they are losing their authority and are therefore not as open to suggestions as they should be. Or it may simply be the case that not all managers have bought fully into the concept of involvement.

The evidence suggests that SDS have adopted both Quinn's and Kotter's approach to involvement. In terms of the day to day or less significant changes there is involvement from the various levels. Both the identification and handling of change are seeded lower down in the organisation. However when it comes to the strategic direction of the company the impetus is grounded firmly in the ranks of management. Similarly when it comes to selection for involvement, Kotters approach seems to be more favoured, selection being based on expertise, reputation and relationships.

4.5 Technological Change

Proposition 5. Technological changes can contribute to resistance for two main reasons, firstly because technology is often seen to result in redundancies and secondly people fear that they will not be able to cope with it.

Theoretical Background

As was stated in the literature review the world is in the midst of a technological revolution. According to Walley (1995) new technologies are fundamentally changing the nature of work and the structure of society. The distribution industry has not escaped the technological whirlwind, indeed much of the change in the industry has been driven by technological advances. People resist new technology for the same general reasons that they resist change. As Zaltman and Duncan (1997) point out people have an inherent need to hang on to what is familiar for as long as possible. Therefore new technologies are often not welcome. As was stated in the proposition, people fear technology and change in general because according to Muir (1985) it has long been the case that change has meant redundancies and unemployment for many. However Muir also points out that in many situations reorganisation need not result in surpluses but merely changes the way in which things are done. The important thing is to keep employees informed. It is also equally important that employees are re-educated with the relevant skills to cope with change.

Practice in SDS

The introduction of new technologies in SDS has not resulted in resistance. As one manager commented he has seen 60 year old men delighted with the fact that they are now using computers. They go home and tell their kids and grandkids that they can use computers too!!. And while it would be an exaggeration to suggest that everybody in SDS is extremely keyboard friendly most are confident enough with computers to get their work done.

There are three main reasons why workers in SDS have not resisted technology. Firstly the introduction of technology has not resulted in redundancies in the company. Secondly technology in fact it has helped people to do their jobs more effectively and this in turn has meant that workers can give a better service to their customers. For example the Track and Trace system means that a customer can now ring up and check the status of parcel while it is still en route or they can check the cost of sending a particular parcel to any destination using the SDS internet site. Finally and probably most critically workers have been trained to cope with any new technologies that have been introduced.

From a social point of view, because of the lives people are now leading, they tend to be more in tune with technology. In this day and age it is not unusual for people to go home and start surfing the Internet. Similarly even just filling a car with petrol can be reasonably 'high tech' in terms of swiping cards and selecting fuels and all of this contact with technology helps in combating resistance to it.

While technology has not been resisted merely for the sake of resisting it, it has however on occasion been used as a bargaining tool by the unions. For example the union would say that they are not accepting a new computer package unless they get a better pay deal somewhere else or because there is a national issue to be sorted out. This however normally just means that management will have to spend more time in negotiations with the union in order to resolve the other issues. It is not usually a case of convincing them of the benefits of the technology as it is generally accepted that any changes are for the overall good and benefit of the company.

Conclusion

Why is it that SDS has not encountered the resistance normally associated with the introduction of new technologies? Is it as a result of the type of industry or the specific efforts of the company that SDS has managed to introduce new

technology with virtually little or no resistance. Probably the main reason for it has been the forward planning that has gone into preparing the path for new technologies. Anybody who will have to deal with technology is trained to use it and all new technologies go on a live trial in a limited area so that potential problems can be figured out and rectified. Additionally the key many feel is that the application of any technology is first considered in the design phase so that at least in theory every aspect of the project is considered and discussed before hand. It was also highlighted in the literature that keeping people informed of what is going on is an important tool in eliminating resistance. This practice can also be identified as part of the SDS strategy for introducing any new changes. A wide variety of people are involved in every change project from conception to completion. Finally and probably above all it is widely accepted in the company that change is for the better and it has in fact enabled employees to work more efficiently and effectively.

4.6 Driving Forces

Proposition 6. A recognition, by all in an organisation of the driving forces for change is an important part of the change process.

Theoretical Background

Schell (1991) believes that an important role of management is to strengthen the driving forces for change in the eyes of employees. In doing so it reinforces the need for change, for their own good and the overall good of the company. It is also possible that some forces are more important than others in stressing the need for change and therefore it may be more worthwhile to focus on altering these particular forces. Nielson, Saccoman and Nykodyn (1995) make the important point that as long as the need for an organisation has not died it has the chance to change or evolve. Walley (1995) highlights three common reasons why companies are being driven towards change, these being values and lifestyles, technology and change and globalisation. In terms of communication the most important reasons for highlighting the driving forces is so that people can understand why their current practices are no longer appropriate.

Practice in SDS

Change for SDS is a survival issue. In fact it was because of the desire of a small group of managers to survive in the parcel post business that SDS emerged. In the eighties the parcel service in An Post had been run into the ground. People did not rely on the Post Office anymore. An Post could not guarantee the delivery of the parcel today, tomorrow or even next week. It was also at that time that small courier companies were starting to open up offering fast reliable services. Even more threatening was the large world-class companies that were also operating in the Irish Market, companies such as: Federal Express, UPS and DHL. These companies had technology and service capabilities that were far superior to those that could be supplied by the Irish

Postal Service at that time. Management in An Post were faced with two choices: either forget about the parcel delivery side of the service or to put some effort into developing a fast and efficient service that the public would want to buy.

Today the driving forces for change come from every direction. The major force being the customer. SDS recognise that if they do not change and adopt to meet the changing needs of customers and give customers what they want then they will not survive in business. For SDS meeting customer needs, means continually looking for ways to deliver better faster service and trying to keep one step ahead of customer expectations.

Competition is another important driving force for change. It is a constant struggle to be as good as or more importantly better than their competitors. However it is a struggle they have to win because the switching costs for customers are very low and the variety of service provider so high that it cannot be left to chance.

As is the case in any industry costs will also be a driving force to change. Indeed it was a partly cost issue that drove SDS towards the greater use of technology. At times SDS have been at a disadvantage in terms of total costs. The only way that they can get around that is by making sure that they get economies from the volumes that they handle. Therefore as soon as the level of activity justifies a piece of technology they go after it, first justifying it from a customer and financial point of view and then going and getting it.

Conclusion

Before the actual inception of SDS, survival was the only driving force for change. It is quite possible that at the time the management of An Post did as Nielson et al suggested and determined if the need for the parcel delivery service had died, or was it time for major change. Obviously the latter turned

out to be true and since that initial decision was made SDS has continued to evolve and grow.

Today SDS is faced with the same driving forces that effect the majority of companies. Forces such as those described by Walley, changing values, technology, along with ever increasing competition. However what this author feels sets SDS apart from the crowd is the proactive manner in which they embrace change. Change in SDS has been established as something that brings improvement rather than something that should be feared. And as such driving forces for change are interpreted as opportunities to evolve rather than threats to survival.

4.7 Culture

Proposition 7. Developing a culture of change is essential to the survival of modern business.

Theoretical Background

In order to achieve change you must first understand the culture of the organisation that is facing change. An organisational culture tells us something about the way work is performed. It determines the way in which an organisation functions, it highlights what behaviours are acceptable and those that are not. Brown (1997) points out that it is essential to ensure that change is made to the culture in order to make people feel that they are the masters of opportunity rather than the victims.

It is generally accepted that changes which go against the traditional beliefs and norms of an organisation will be a lot more difficult to plant into and organisation's culture. Atkinson (1990) believes that creating the right culture involves changing the way people think about what they do, and laying the foundations for an environment of continuous improvement. Hooper and Oliphant-Thompson (1992) suggest that there are two ways of changing an organisation's culture. The first is to actually tackle organisational values, and through learning encourage new ways of thinking. The second is to actually physically change people's behaviour, and this can be done by training and encouraging the workforce to operate in more positive ways. However the most important aspect of changing culture is that the drivers of change set the example by acting out these new values and behaviours.

Practice in SDS

The Origins of Culture

Describing the culture in SDS is difficult as it is still emerging from the old An Post culture. It was a constant place that never really needed to change. On one

hand there are the very positive aspects of the culture like 'the mail must go through' and that the security of the mail is paramount. There is the highest level of integrity amongst people and it is incredibly difficult to fire somebody in An Post, the only sackable offence being theft or violation of the mail. In the past people who came to work in the postal service stayed for a very long time. It would not be unusual to see somebody retiring with forty or fifty years of service. This has advantages, as people have built up a huge knowledge that helps them to do their jobs. The negative aspect from a management point of view has been the development of a highly unionised system with a culture of management deferring to the union. It is almost a culture of the union having a veto on new practice or change. However it is from these old traditions and new experiences that the culture of SDS in its own right is starting to form.

The New Culture

Traditionally there was a culture of staff being more important than customers. But that has changed. Everybody in SDS is aware of how important the customer is. They realise that any customer has the choice to move their business elsewhere at a moments notice. As a result the purely internal focus has gone and they are both more change and customer focussed.

In terms of openness SDS are continually trying to improve. However management are acutely aware that there is a strong union present and that they may have other agendas. Therefore they have to be careful in terms of timing and the level of communication. They believe that sometimes the union can display attitudes, and represent staff with attitudes that are not commercially focussed.

From a middle and frontline point of view culture has changed dramatically from the old An Post days. It is no longer a case of having a supervisor making workers do something which traditionally was the case, now people have their own goals and deadlines. Supervisors guide now rather than drive. The

atmosphere on the floor is a lot more relaxed. Chat and banter fly in all directions, but this does not mean that everybody is not working very hard. They still hit the deadlines that they are supposed to hit but they enjoy themselves more doing it now. One interviewee commented that it is amazing to see a depot at one or two o'clock in the morning, everybody is sweating to get the last parcel sorted or the last cage on a truck. Then all of sudden the last trucks are gone and a place that moments earlier was horrendous in terms of noise, is now eerily silent and everybody is gone home.

People at floor level are very much aware of the need for change in order to survive. They acknowledge that the days when they had no competition are long gone. And it is not unusual for them to keep up to date with what their competitors are doing. Frontliners themselves believe that there is an openness in SDS that was not there in the Post Office. Also there is a greater willingness to work, they know that it is no longer acceptable to make a mistake and say 'I'm going home, good luck' they have to rectify it for everybody's sake. Friendliness is another important aspect of the new culture of SDS. It means that if somebody is unable to do something there are plenty of colleagues there to help so it doesn't have to become an issue.

Conclusion

SDS are in somewhat of a unique situation when it comes to organisational culture. While they are a relatively new company they have been built on the culture of a company that has been around since the set up of the state. They have disentangled themselves from a culture that was historically anti-change. For almost two decades the workers went to work in the Post Office, did what they were told to do and went home. So what has happened to change the attitudes of almost every individual working in SDS? The initial driver to change was what Alderfer's 1972 Modified Need Hierarchy Model describes as an *existence* need. People are concerned with sustaining their material existence in order to survive. And in the late eighties developing a company

like SDS was a survival issue. An Post had two choices either close the parcel section of the post office or create a company that could operate in the competitive environment of the parcel distribution industry.

So from the beginning SDS established itself as a company that had to change in order to survive. From an individual point of view, again the initial catalyst was to survive, it was to bring home a wage at the end of week. It was this first driver that forced people to re-access what the organisation's values should be. The physical move from Sheriff's Street to Newlands also made an impact on defining the new culture of SDS. The author feels that it brought with it a new commercial awareness, the open plan offices facilitate teamwork, and the extra tables and chairs in manager's offices have helped create an openness that did not exist before.

From the start, change has been communicated in a positive way so that people have felt that they are the masters of opportunity rather than the victims. Managers have set the example by involving workers in change and also by ensuring that they have been trained in order to cope with changes. The author feels that the union has also played an important part in ensuring that change has become the culture in SDS. Despite the fact that management at times resent the interference of the union, the union's involvement has in fact meant that any changes that have been introduced have been done so based on consensus. And as Bryant (1979) points out change based on consensus is a lot less likely to be resisted. Establishing a culture of change and continuous improvement has meant that SDS has secured their place as market leader. However they are also aware that success is not a constant. They realise that they will have to continue to evolve and redefine their culture in order to secure their future.

4.8 Resistance

Proposition 8. Identifying the reasons for resistance and then overcoming them helps to ensure successful change transitions.

Theoretical Background

Resistance as defined by Zaltman and Duncan (1997) is any conduct that serves to maintain the status quo in the face of pressure to alter the status quo. Watson (1969) believes that there are nine sources of resistance to change within the personality itself. Examples of these nine sources include: habit, whereby the familiar or routine is preferred. Homeostasis, which is the body's in-built regulating mechanism towards wholeness and stability. And primacy, which is the way the individual first successfully coped and to which pattern the individual tends to return.

According to Honey (1988) there are four main reasons for human resistance to change. The first is parochial self-interest. In this situation people focus on their own best interests rather than the organisations. Their fear is that they will lose something of value unless they resist change. Misunderstanding and lack of trust is the second reason. People resist change when they do not understand its implications and perceive that it might cost them more than they will gain. This sort of situation normally occurs when there is a lack of trust between the initiators of change and those on the receiving end. The third reason suggested by Honey for resistance to change is due to different assessments of the situation. Managers for example often assume that they have all the relevant information to conduct an adequate assessment of the need for change. They also tend to assume that those who will be affected by the change have the same information. Unfortunately it is rare that either assumption is correct. The differences in information lead to different assessments that result in resistance. Finally some people just have a low tolerance to change. They fear that they will not be able to cope with the new.

Even when people intellectually accept the need for change, they sometimes are emotionally unable to make the adjustment.

Bryant (1979) believes that the level of resistance will be dependent on the kind of change that is being suggested and the procedures that are used to bring the change about. For example the resistance will be less if:

- Employees see the change as reducing rather than increasing their burden.
- Employees feel that their autonomy and security is not threatened.
- Employees have joined in diagnostic efforts leading to change.
- The project is adopted by consensus following group discussions.

Additionally there are four main strategies that according to Bryant help overcome resistance. Firstly if resistance stems from parochial self-interest then the best strategy is to negotiate. Secondly if resistance is as a result of misunderstanding or lack of trust then the best strategy is to educate by communicating the reasons for, and benefits of change. An education programme works best where there is a good relationship between the initiators and resisters, otherwise the latter may not believe what they hear. Thirdly if resistance stems from different assessments then the best strategy is to involve resisters or potential resisters in a participative programme. Research has shown that participation leads to commitment not just compliance. Finally if resistance stems from a low tolerance for change then the best strategy is to force the change through and support and reinforce the resultant new behaviours.

Practice in SDS

'I wouldn't say resistance, more like a lack of enthusiasm'

Resistance when it has occurred in SDS, has done so for a number of reasons:

1. Sometimes people genuinely don't like the new way of doing things, the old way suited them better.

2. The workforce feel that the changes will make their job more difficult because they have to process more.
3. At times it gets caught up in another agenda. For example if the union is negotiating with the company on a pay element of the national wage agreement they may refuse to accept changes until they resolve their negotiations.
4. Sometimes the existing manual process involves a degree of overtime and if the company automates or simplifies the process that overtime will be lost.
5. Fear has been the main cause of resistance in SDS. Fear can be seen on a number of different levels. People fear that they would not be able to do the job and as a result their shortcomings will be exposed. One of the greatest fears is that they will lose their job. Also some middle managers worry that their authority will be questioned.

When or if resistance does appear it generally arises as 'I'm too busy' or 'Sure what's the hurry?' A lot of this goes back to the old days in An Post when the attitude was 'It'll be alright, won't the parcel turn up tomorrow?' So in many cases people's attitude to change needed to alter, SDS needed people to say 'yes I can do that or I will do that.' It is however felt that there was never really a concrete decision to resist change in the company, rather it was as a result of the old attitude spilling over into the new. One interviewee commented that the reason for this poor attitude was in fact the 'Irish psyche that everything would work itself out'. However through training, seminars and good communications people have been convinced that there is no hidden agenda and that change is for the good of everybody.

Contrary to the theory in the literature, resistance in SDS is very seldom related to age. Rather it is the attitude of a worker that determines resistance. For example there might be a worker who is thirty and he'll say things like 'this will never work, what do we want this for' and then there is the sixty year old

who will think the changes are brilliant. But generally negative attitudes are an exception and those with them normally just get carried along with the flow.

Resistance is very seldom seen on an individual level. This is mainly because the company has very strong unions so individuals do not need to do things on their own. If the union says they are not co-operating with 'x' then workers just say that they are under instruction from their union not to co-operate. However in SDS it rarely comes to this because management have learned to deal with the highly unionised environment as part of the job. Sometimes management feel that it would be better not to have a strong union in the company as it would make their job easier. However the union is part of the SDS culture. As a result it means that if management are bringing in something new they have to talk to the union and reach some sort of a consensus before they do anything. So at this level resistance would really mean that management have to persuade people that this is the way to go in order to ensure the survival of the company. Certainly at senior levels in the union it is well understood that the company has to move forward. SDS has to simplify and automate. The union would not agree with everything management says but that in one sense is their role. However eventually through discussion management and unions come to a consensus.

Apart from the considerable negotiations between management and unions there are four main reasons for lack of resistance in the company. The first is that people in general in SDS are becoming more and more commercially aware. They are aware of the need to change and improve in order to prosper and grow. Secondly, there is a lot of goodwill and loyalty towards the Post Office and SDS. Traditionally people joined the Post Office after leaving school and worked their way up. In a lot of cases their fathers or uncles or grandfathers worked there too, so it is not unusual to find third or fourth generations working in SDS. As a result people are interested in the future and survival of the company. Thirdly, most changes that are proposed are seen as

improvements and therefore people just readily accept them. Finally management have put specific measures in place to combat fear and resistance to change. They have found that through good communications and seminars that fear of change can be overcome. Similarly encouragement, education and monetary reward also help.

Conclusion

Four of the five reasons for resistance in SDS can be identified directly in the literature. Watson suggested that people resist change because they prefer the familiar and strive for wholeness and stability. This corresponds to the first reason cited for resistance in SDS which was that people preferred the old way of doing things. The second reason for resistance was that employees felt that changes would make their jobs more difficult because they would have to process more. This is as Bryant suggested, if employees see change as reducing their burden there will be less resistance and vice versa. Honey has asserted that people resist change because of parochial self-interest. An example of this also found in SDS as employees believe that changes may bring an end to their overtime. Both Honey and Bryant believe that fear is one of the main causes of resistance, this corresponds to the findings in SDS where fear of change has been established as the main cause of resistance. It was also suggested that the union resists change, however the author feels that this is not resistance as is described in the literature. Rather than actually resisting change the union uses change as a tool in the bargaining process with management. Therefore in fact it is not actually resistance as is described by Zaltman and Duncan because it is not the intention of the union to maintain the status quo.

It has also been iterated by Bryant that resistance will be less if the change accords with the values and ideas which have long been acknowledged by the participants. However the changes, especially the early changes in SDS went totally against the values held by employees who were emerging from the An Post tradition. The notion that the customer was king was foreign to them.

And it was only through trust, communications and involvement and nine years of hard work that SDS has emerged as the market leader.

SDS's tactics for encouraging change and reducing resistance are also not that far removed from what has been suggested in the literature. SDS have negotiated with unions to ensure that change is based on consensus. They have educated employees, who are very much commercially aware and recognise the need for change in order to survive. Changes to date have brought about better working environments, where the physical burden has been greatly reduced and where employees have the resources to do their work more efficiently. And finally SDS have communicated to, encouraged and involved employees in change, thus reducing the resistance to it.

4.9 Identification for the Need to Change

Proposition 9. The type of change in question will be influenced by its source.

Theoretical Background

In general there are two theories in relation to who should be identifying the need for change. There are those such as Kotter (1995) who believe that all propositions for change should come from management. And that it is the ordinary employee's job to follow management instructions. However as part of this role it is also up to management to empower people so that they can take whatever action is needed in order to change. Then there are some like Quinn (1980) who feels the identification of the need for change should be seeded lower down where there is a real energy to do things differently. The belief here is that change programs that flow like this develop a greater degree of ownership and will be more likely to stick. However this group do admit that this can only be done with support from the top.

Practice in SDS

In most cases the need for change in SDS identifies itself. The need becomes apparent on a day to day basis purely because the operation is getting busier and busier and they do not have the resources to handle it. In other cases one change will roll forward and will result in or identify the need for another. For example the application of imaging technology to the proof-of-delivery system rolled forward and was adopted to use in the accounts department to eliminate the old paper driven system. So they moved away from keyboard data entry to assisted data entry, whereby they image documents and the system deciphers what is written. So instead of an operator keying in all the data they only have to verify the information the system has captured and fill in the gaps. Normally a change project is guided by a relatively small management team and sometimes they have major changes like the imaging systems and the track and trace and sometimes they just make small movements forward.

In some cases it is a particular department that will go about introducing changes relating to their area of work. For example if they wanted to make changes to a network it would be the national network manager and the international network manager who would guide that project. The advantage being that they have people in charge of change who know the ins and outs and can answer any questions as they arrive.

Frontline workers would to a certain extent agree with the assessment that most of the identification for change would come from the top. Or at least most of the changes that will have a direct effect on the future shape of the company will come from the top. They feel that this is a mistake because they have had important inputs to give in relation to implementing various changes, but unfortunately they have not been heard. However, many day to day or practical changes originate with the frontline. One substantial input that came from the frontline was that the scanners that were previously hand held by the drivers should be attached to their pockets. Thus leaving their hands free to handle the parcels properly. Similarly it was also at the suggestion of a frontline employee that the international trailer was moved to a different loading bay. The trailer which is only sent out every second day was obstructing trailers that go out on a daily basis.

Conclusion

It is possible to identify both Kotter and Quinn's schools of thought in practice in SDS. Propositions for change come from both management and frontline. There are however two major differences in the types of change proposed. Firstly the source. In the case of management the need for change is identified in a number of ways, for example, by examining the overall performance of the company, looking at competitors practices and by keeping up with trends in technology. Whereas frontline suggestions come from their 'hands on' experience, and knowledge of the ins and outs of the job. Secondly the type of

change. In general changes that come from management do tend to have a greater impact on the organisation as a whole and in many cases it will involve substantial investment, investment in terms of finance, time and training. On the other hand changes at frontline are a lot more subtle, yet have had great impact on the efficiency of frontline performance. Also changes by frontline for frontline have helped create a sense of ownership and interest for the jobs they are doing.

Finally it is also the case in SDS that change itself has determined the need for more change. This roll over effect of change only stands to highlight one of the most important aspects of change management and that is that change is a never-ending life long process. The company that thinks it has done all that it can do is sadly mistaken. SDS have recognised this fact and as a result have incorporated change as part of the company culture.

4.10 Service Excellence

Proposition 13. Attaining service excellence is a determining factor of the success of SDS.

Theoretical Background

The theory on service excellence reflects on the importance of achieving such standards in the turbulent business environment facing modern business. Achieving excellence is considered a winning strategy that reaps the rewards for all involved. Heskett et al. (1994), service profit chain highlights the type of environment that needs to be created in order to facilitate excellence and also points out the rewards of providing such an environment, for example profit and growth, loyalty from customers and satisfied, loyal and productive staff.

Practice in SDS

The recognition of the need for service excellence in order to survive is widespread within SDS. SDS is a growth driven business that intends to continue to grow in the face of huge competition. Critical to this intention is the understanding that without quality they are simply 'not at the races' and that it is only when they get over the quality hurdle that the customer will be prepared to talk to them. Quality service means that salespeople can go looking for business and expect to get paid appropriately for the services that they are offering.

Everybody in the company commented that SDS 'are only as good as our last delivery'. In the courier business there are few switching costs, it costs nothing to ring up for a different courier to deliver a parcel. In some cases it may be a little more difficult for larger companies who have specific system in place but in most situations its simply a case of 'goodbye SDS, do not send your lorry here anymore' and 'hello Federal Express, will you come and collect for me today'. Without service excellence SDS is lost, it is as simple that. The worrying thing for them is that the industry is becoming more and more

competitive. Additionally the technology involved in the industry is changing at a huge rate. Current technologies such as Track and Trace, internet and digital imaging systems, are technologies that five years ago would have been considered 'stars wars'. However now the customer is in control, they expect to be able to check the status of their delivery (an individual item) at any stage in transit. If this had been suggested ten years ago, they would have been committed, but now it is what they want so that is what they have to get.

SDS has the ISO 9002 and Q mark and people are aware of the need for change to keep these quality standards. Both of the awards can be seen as 'a pain in the butt' but they also take great pride in having them. Having come from the civil service set up there were some people who thought that there was no need for such standards. However the overriding feeling is that excellence, achieving it and making people aware of it, is another form of training people in terms of performance and the need for change. Business excellence makes them think the whole time of what they can achieve and what they can provide. At one stage when one of SDS's now best customer's came to them to look at what options they could give them they were amazed at the wide range of services they could get. They honestly admitted that before they came, they had been expecting to hear about all the things that SDS could not do for them and had been very pleasantly surprised. SDS offer the following service guarantee 'We deliver your promise' to back up the reliability of their service. At first this was a statement that people did not really understand as the offer of a service guarantee was virtually unheard of but now customers have come to expect it.

Service excellence is not something that happens overnight. At first some people were a bit cynical about the idea, but in the beginning management accepted that it was inevitable that people would question new ideas until they got involved, however once they did, people began to co-operate to make it work. Sometimes they still feel that the customer wants everything but they do not want to pay for it, but they also accept that is what the increasing demands

of customers means from now on. Service excellence is something that is stated consistently throughout the company 'it is what we are about'. But there are things that can still be improved on. For example in terms of resources and corrective action, the tradition had been to focus too heavily on just rectifying things when they go wrong. However, now they try to find out why things went wrong and they attempt to make sure that it does not happen again. It is the company's hope that concentrating on the prevention side of the problem will help them ensure a consistency of quality across all their services. For example while at the moment they pay for goods that get lost or damaged they also try to minimise it and more importantly point out where and why the damage is occurring and try to prevent it from happening again. But again there is still room for improvement, because they still have not gone into it as much as they should and as they begin to carry more products, it is one area for improvement that they will have to tackle.

At frontline, service excellence is seen as absolutely of the highest importance. In fact they feel that 'you owe it to the customer' to give them the best service possible. Customers give them their parcels for delivery and if a problem occurs from the time they post it, then it is up to frontline employees 'to raise heaven and earth' to try and solve it. Indeed every member of staff wants to keep the customer happy. They feel it their duty to ensure that every customer gets the service they pay for. Probably one of the simplest yet interesting explanations of service excellence that the researcher came across was;

'To me service excellence means that the customer is happy to see you coming to collect their parcels.'

Conclusion

The awareness of the need for service excellence is amazing considering the culture from which SDS has emerged. An environment where 'tomorrow will do' has been transformed to an environment where the best is only just good

enough. What is more amazing is that the commitment to excellence seems to have permeated throughout all ranks in the company and everybody from the drivers and sorters to managers and administrators are talking about the customer as their own and take a personal interest in ensuring customer satisfaction.

As is suggested in the service profit chain model providing the right environment has produced the benefits. Since SDS has shifted concentration to the customer and has provided employees with the resources to satisfy them, the company has gone from strength to strength. Through total commitment to excellence SDS have achieved a customer focussed environment where people use their intelligence to ensure the best outcomes for their customers.

4.11 Vision/Goals

Proposition 10. A clear vision of the future that is held by everybody is an important factor in determining the success of a change project.

Theoretical Background

A vision is described by Kotter (1995) as a picture of a desired future state for the company. Much of the literature on change would argue that a vision is needed in order to develop an effective change strategy. Indeed Kotter would go as far as to suggest that without an effective vision change programs can dissolve into a list of confusing projects that take the company nowhere. According to Hall (1991) it is essential that the vision be communicated consistently and continually. The real significance of it only being seen when people begin to talk about it as their own.

There are those however that maintain a vision is in fact not an ideal starting point for a change project. Critchley (1996) believes that in reality there are four major flaws associated with it:

1. It encourages a top-down linear way of thinking about the change, and it assumes that the outcomes of the change programme are predictable, and that change can therefore be 'managed'.
2. It tends to exclude the majority of the organisation members from participating in the shape of the vision.
3. In treating the vision as a desired future state that has to be reached it assumes a fixed, idealised quality. Idealised states are, of course unattainable. While the vision may have inspired some people at the outset, when it becomes apparent that it is not being reached, people become disillusioned and depressed.
4. The vision by this time is immortalised in company statements. Hence senior management becomes heavily invested in maintaining it and proclaiming its necessity for organisational survival in the future.

While both sides will fight their own case, it is somewhat irrelevant because as Spencer (1997) points out there is no scientific approach to help management facing change, so whether one leads with a vision or not depends on the individual organisations intuition.

Practice in SDS

The policy in SDS in relation to visions and goals is not that formal. They do not deliberately sit down and decide what their vision or goals for the next 'x' months or years. Instead their goals or targets tend to emerge because they are constantly looking at processes and trying to find ways to make them more efficient. Management then share these concepts with the senior members of the union. This is done at a very early stage because management knows the more they keep people informed the easier it will be to implement changes.

Despite the informality of their strategy in relation to stating visions, the company did have an overall goal and that was to make SDS the leader in the parcel distribution industry in Ireland. They have succeeded in doing this however it was not something that happened by accident. It was in fact a resolute decision between management and the unions. They consciously decided to 'role up their sleeves' and make it happen.

From a frontline point of view they have at times felt that they only hear about changes through word of mouth, as some version of the story filters through the grapevine. However they would in general agree that everybody has a good understanding of what SDS is about and what it is trying to achieve. For example when the Track and Trace project was being introduced frontline knew what the goals of the project were. This was because the frontline supervisors were shown prior to introduction what would be involved and they passed on the information to the frontline workers.

Conclusion

SDS adopted two strategies in relation to developing and communicating visions. Firstly they have an overarching vision on which the company was founded. This vision was to turnaround a loss making business and through change establish it as a market leader. Everybody in the company was and is aware of this vision and more importantly they are conscious of the need for change in order to maintain it. A large part of achieving this vision involved altering the focus of the company from being internally focussed to becoming customer and commercially focussed. And because this need was communicated effectively and more importantly because it was understood by everybody, individuals did begin to talk about the goals of the vision as their own.

In relation to this vision some of Kotter's theory can be identified. For example the vision did come from the top down and the majority of people were excluded from participating in the shape of it. However in SDS's case they did achieve their idealised state because of their dedication and commitment to the vision. Similarly senior management did become heavily invested in maintaining it, however the author does not think that this should be seen as a bad thing. In fact it was precisely because management were seen to 'walk the talk' that the other individuals in the company found it easy to support the vision.

The second strategy relates to the formulation of visions for change on a more regular basis. In this situation as has already been mentioned SDS do not formally decide on a vision for a particular change project. Rather goals emerge based on their desire for continuous improvement. This lack of formality and continuous alteration of desired states ensures that do not fall into the traps as described by Critchley. Ideas for improvement are seeded throughout the company meaning that everybody can become involved in shaping the future. Additionally ideas change to suit circumstances and

because of the greater involvement from others management do not have to have control over every change project.

The author feels that it is because of this ability to adapt to suit the situation that SDS has managed to achieve a culture of change and in doing so realise their vision. However there is still a need to allow more of the frontline into negotiations or at least to ensure that they receive effective communications as soon as change is on the horizon.

4.12 Communications

Proposition 11. Good communications reduces resistance and makes the change transition easier.

Theoretical Background

One of the of the most prominent writers on change management, Quinn (1980) suggests that those in charge of an effective change strategy should actively set about developing informal information networks. Anybody who could be affected by the change or is in a position to give useful input should be included in these networks. Quinn believes that these type of activities help improve communications and motivates employees, who are delighted to be able to give their ideas to the company. Also according to Quinn individuals sift information through perceptual screens defined by their own values. This means that the ideas that are received emerge from a broad range of angles.

The Emergent Approach advocates organisational learning as one of the factors that influence the success of a change project. Communication is an important part of the process. Organisational learning requires that there is good top-down communication and that everybody within the organisation holds a common vision and shared ownership of the problems at hand. Kotter (1995) believes that there is a universal need for management to communicate information about competitive position, technological trends and financial position to employees in order to drive them out of their comfort zones. The success of a change project will be largely dependent on the extent to which the workforce feel that they are part of the process and communicating with them is one way of achieving this.

An effective communications strategy should begin by sharing with everybody in the organisation the goals that they need to achieve in order to survive. Hall (1991) believes that it is only when people begin to talk about these goals as

their own that it has been communicated effectively. Many of the causes or factors contributing to resistance such as fear, misunderstanding and different assessments of the change project can be overcome by effective communications. According to Bryant (1979) resistance to change will be greatly reduced if it is adopted by consensus following group discussion. However as Kotter (1995) points out the important thing is that communications are credible because if they are not the 'hearts and minds of the troops are never captured'.

Practice in SDS

A number of years ago a survey was conducted in SDS and communications were heavily knocked. However as a result of this finding procedures have been put in place to help improve the situation. SDS is very much aware of the need for a good communications strategy. Currently through effective communications they are trying to develop a spirit of co-operation between staff and management. SDS has found that communications is a crucial part of the change process. Management recognises that if people are told that they have to change, without really knowing what the change is about then they will get their backs up. Whereas if management communicate and talk to people the company can achieve two advantages. Number one there is a two way process that helps to develop the best solutions. And secondly people feel that they are not just been given orders instead they are being considered and their views are sought and this to some extent makes them feel important.

In general communications can be identified on both informal and formal levels. Firstly, on a day to day basis most communication including communications about change are made directly to the people that need to hear it. It may be something as simple as going out and asking a driver how much room they need to turn a truck around if they were planning on building a new loading area. Secondly, on a more formal level, if there are major changes to duties or working practices then communications is at union level. The

different unions are informed of any major changes that are being proposed. Every issue is discussed and negotiated between the union and management and eventually agreement by consensus is reached. Seminars are also used as a platform for communications especially in relation to change. Also in addition to verbal communications SDS has just launched a company newsletter in which people are invited to contribute their views or any ideas that they have for articles. Similarly there is a publication called PostNews which covers the entire An Post organisation including SDS and which keeps people up to date with various events throughout the entire organisation.

In general if something new is being implemented for example a new piece of technology the relevant people are told the limitations of new technology and are informed of what exactly is being implemented and what the anticipated as a result is. Trials of the technology will then be put in place, normally it goes live in a particular area for a certain period of time. During this time any problems are ironed out and if it is successful it is fully integrated into the whole system.

This does not mean however that SDS are without fault in their communications strategy. In fact at times communications are still very poor. Sometimes people are so busy that they cannot communicate and sometimes they do not want to communicate with others because they are tied up with something else. Also on occasion the person that needs the information is not available and by the time they are, the message has been forgotten. Sometimes poor communications has led to serious problems where the unions have had to become involved in order to resolve the issues. At times there is also communication problems between the divisions like sales and marketing, administration and operations. And this is a criticism that has been around for a while, the left hand doesn't know what the right one is doing and sometimes this has resulted in people working at cross purposes at times. So it is also clear that communications needs continuous improvement.

The pace of life in SDS has been increasing at a remarkable rate and the size of the organisation has grown rapidly over the last number of years. As a result sometimes people feel that there does not seem to be a chance to stand still and see exactly where they are. Therefore some workers feel that regular staff meetings where people are given the chance to ask questions would be helpful even it was just for an hour once a month. It would be an opportunity to let off steam and air their grievances in a formal way. And while AFI teams are to some extent addressing the problem of communications they also feel that these meetings would help. However despite the problems there is a consensus in relation to communications and that is that in comparison to the pre 1990 days, communications have improved dramatically and most people would be happy in relation to the way things are moving.

Conclusion

SDS recognises the importance of a good communications strategy. More importantly as a direct result of putting effort into developing an effective strategy they have been able to reap the rewards. As Quinn suggested employees were delighted to be able to give their input. It allowed employees to become part of the process and ensured their commitment not only to particular change projects but to change in general. Additionally management enjoy the benefits of a two way process whereby ideas emerge based on the experience of employees who know their jobs inside out.

The importance of good top down communications was highlighted as part of the Emergent Approach theory. Certainly the experience in SDS has been that the barriers that isolated top management from the rest of the organisation in the old An Post days have disappeared. There is a fervent understanding among those at the very top to those at the frontline of what the goals of SDS are. Employees are aware of their competitors and have a strong grasp of their customer's needs.

Informal networks like those advocated by Quinn can be seen in SDS. The example of asking a truck driver how much room they need to turn is a typical example of this. Communications are becoming less and less caught up in bureaucracy. Before even the most mediocre requests involved filling out forms that required a signature in some other department before they could even be delivered to the person who had the authority to deal with it. Now people are free to just go and ask the people who they feel have the answers.

When change is of a more serious nature formal communication strategies come into play. In this situation management works with the union in order to develop a solution that suits everybody. At times these negotiations can be stressful because different agenda have been brought to the table or it has taken time for management and unions to see eye to eye. However at the end of the day change has been adopted by group consensus following group discussion and as Bryant has pointed out this is one sure way of combating resistance.

As is the case with many other areas in SDS it is recognised that developing an effective communications strategy is an ongoing issue. The AFI communication team are continually trying to find ways of improving the situation. There are still problems in relation to having the time to communicate effectively and finding the person who needs the information at the right time. Therefore where possible it might be more effective for people to make more use of electronic or CC mail in order to communicate more efficiently. Similarly introducing more regular staff meetings as was suggested by frontline may also be a good way to addressing the ongoing communication problems. Additionally it would allow people to stand still for a while so they can assess where they are and in what direction they need to be moving.

4.13 Benchmarking

Proposition 12. Benchmarking is a useful tool for companies to assess themselves in terms of their own industry and others.

Theoretical Background

According to Fowler (1997, p.39) benchmarking can be defined as ‘a systematic process of discovery and examination of best practices that lead to a superior performance’. These benchmarks become the standards for a company’s continuous improvement strategy. As Clarke (1995) points out the need for continuous improvement is never ending and requires a commitment to do a little better each day. Cook (1995 p.27) defines benchmarking from a customer point of view he maintains that benchmarking ‘involves establishing what makes the difference in customers eyes between an ordinary supplier and an excellent one’.

In relation to change benchmarking is undertaken for a number of reasons, among these being to; increase efficiency, enhance customer satisfaction, improve profitability and make continuous improvements. According to the literature there are four different types of benchmarking that can help a company achieve these goals. The first of these is internal benchmarking which can be loosely defined as making comparisons with other parts of the same organisation. However as Bendell, Boulter and Kelly (1993) point out the sort of information that can be found here is unlikely to lead to best practice. The second type is competitor benchmarking. This is a more difficult task and involves getting a picture of competitor operations, not just looking at outputs and available figures but knowing exactly what processes have lead to these outputs. Functional benchmarking is the third kind, this involves benchmarking against organisations who are not direct competitors but do carry out the same functional activities. Finally generic benchmarking goes a step

further and compares business processes that cut across various functions in quite different industries.

Practice in SDS

Benchmarking in SDS is not regarded as a formal process. However they do admit to spending a lot of time being conscious of what other people are doing. The distribution industry is relatively small, there are few big players, therefore it is easy to keep track of what is going on. They constantly monitor competitors to see if they have found easier ways to collect parcels, to deliver items or have discovered a better tracking system. For example in the case of satellite tracking SDS would know who in the industry was using it and what supplier they got it from. Sometimes they may go and look at competitor systems and other times they would just be aware of use by a competitor.

SDS are also aware of what is available both in Ireland and the rest of the world in terms of technology and processes. They are to the fore in terms of implementing new systems. This is partly attributed to the fact that their volumes would justify it before anybody else's would. And partly because they are so aware of what is available that they are continuously in a position to know what is possible for them and what is not. In some cases they have not always been the first to use new technology. For instance they were not the first to put track on trace online but they were not far behind and were working on it around the same time scale as their competitors.

When Federal Express arrived in Ireland in the late eighties with their track and trace system it was thought of as radical to have satellites working for you in the sky. However almost immediately SDS were being asked by customers had they got the same technology. As one interviewee put it 'they were not willing to go back to black and white having seen colour'. Once customers experienced computer tracking they were not willing go back to the old system of ringing people up.

SDS have learnt a lot from other people and companies. They have gone to different companies looking at the various systems that they have in place. Sometimes they can meet competitor standards immediately and sometimes they have to wait till they are a little further down the road. For example this is the case with the on board scanning equipment which DHL have. Finally it should be noted that in many respects SDS are the benchmark. They are in the number one position in Ireland, and as a result many competitor companies are in fact trying to come up to their standards.

Conclusion

Probably the most noticeable aspect in relation to SDS's benchmarking policy is the general belief that they do not have one. Benchmarking is not regarded as a formal process, yet much time is actually spend conducting benchmarking activities. A large portion of their success can be attributed to their examination of best practices and their continuous search for superior performance. Reflecting on Fowler's definition it would seem that benchmarking is in fact an important element of SDS strategy.

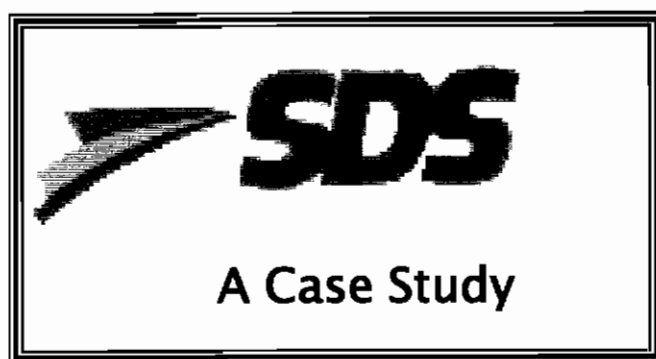
The four reasons highlighted for undertaking benchmarking can be identified as prime motivators for change in SDS. Increased efficiency, enhanced customer satisfaction, improved profitability and continuous improvements have all been encompassed as part of the SDS goal. Of the four types, competitor benchmarking is the most obvious form undertaken by the company. As they say themselves they spend a lot of time being conscious of what their competitors are doing. However it goes a lot further than that. SDS have on occasion physically gone out and inspected competitor's plants to see exactly how they operate. They have also assessed their competitor based on equipment that is being utilised by them. Functional benchmarking has also figured strongly in SDS especially in relation to the new sortation plant. In the design phase of this project SDS visited various European and international

postal operations to examine the operations that they had in place. Eventually they choose the Danish system as the basis for their new plant. Internal and generic benchmarking have not figured as strongly in SDS. To a large degree SDS can be split into two general areas, administration and the manual operation. As such there is very little in common in the work done making the transferability of best practice in a practical sense almost impossible. However certain practices such as the open plan offices, team work and participative co-operation can be seen across many industries, suggesting that SDS may indeed be influenced by the practices of very different industries.

The need for benchmarking, it appears, is driven by two things. Firstly, customer expectations, as customers become more sophisticated the ability to achieve best practice is paramount for success. Secondly, benchmarking is very much a cost issue. The company that can find a way to conduct business more efficiently than its competitors has a competitive advantage that has a direct effect on profitability. Finally, regardless of the type of benchmarking undertaken or the reasons why, there is one certainty. This is that striving for continuous improvement through benchmarking or any other means is the only way to ensure best practice.

The following section is the case study of SDS that has been produced as a result of the qualitative analysis, of both the interview and documentation data.

The SDS Case Study



'In The Beginning'

The GPO (General Post Office) is widely recognised as a *Symbol of Our Nation's Freedom* for it was here during Easter Week 1916 that Pearse, Connolly and their comrades fought for the nationhood of Irish people and raised the tricolour for the first time. However, the history of the postal service dates back much further than this. It was in 1657 that the government established a monopoly of the postal service, which still exists in the letter post to this day.

In 1711 an Act of Parliament founded a unified postal service for the entire British Isles, however subsequently a distinct Irish Post Service evolved due to the difficulty with communications across the Irish Sea at that time. As a result of legislative independence the Irish Parliament passed an Act in 1784 which set up the Irish Post Office with a separate service in Dublin which was controlled by its own Postmaster General.

In Ireland in 1830 the famous Bianconi long cars were contracted by the Irish Post Office to take over from the 'post boys' who had previously carried the mail using horses and sometimes carts. This was seen as a huge improvement as the mail now moved at an increased speed of eight to ten miles an hour as opposed to the two to three covered by the post boys. It was also at this time that armed guards were introduced to protect the mail from footpads or highway men.

It was at this early stage in its history that pride in and loyalty for the postal service was fostered among its workers. The dedication that originated at this

time gave rise to famous expressions, such as: *'as right as the mail'* and *'the mail must get through'*. However, in 1831 the Irish Post Office lost its independence and was again integrated into the British system. The famous *Penny Post* was introduced in January 1840, this allowed people to send a letter not weighing more than half an ounce anywhere in Britain and Ireland. This was an important milestone in postal service history as it represented the beginnings of its widespread use, in the following twenty five years usage surged from just 76 million to 630 million a year.

A separate Irish Post Office re-emerged in 1922. Since then many changes have transpired. The agency services that were operated by the then Department of Posts and Telegraph increased, especially various savings services and social welfare payments – most notably the Widows' and Orphans' pensions, introduced in 1953 and the Children's Allowances, in 1944.

On the 1st of January 1984 the Irish Postal Service became known as An Post. An Post was given the authority to take over from the Department of Posts and Telegraph the country's postal services and provision of a wide range of long standing and new retail counter services. Coincidentally, 1984 coincided with the 200th anniversary of the original setting up of a separate Irish Post Office.

An Post is the largest retail network in the country with over two thousand offices, serviced by ten thousand people. Its objective is to *'vigorously meet the growing competition in all its markets through the provision of quality services which meet our customers' needs at competitive prices'*. The company is headed by the Chief Executive, Mr. John Hynes and is supported by a senior management team responsible for banking, agency, and retail services, special distribution services, electronic messaging services, marketing personal, finance and corporate affairs.



The end result of its very turbulent and colourful history was an organisation that was making huge losses and facing vastly increasing competition in all areas except letter post where it still has a monopoly. The service by in large was deemed unreliable by its customers and the parcel distribution section was no different. By 1979 the survival of the parcel delivery section of An Post was in doubt. Strikes in that year resulted in no parcels being delivered from February to June. While An Post had a monopoly in the carriage of letters it did not when it came to parcel carriage. Similarly while it has an obligation to carry letters the same was not true for parcels. By 1989 An Post held only about five percent of the total national market and was losing money rapidly. It was competing with world class companies like Federal Express, UPS, and DHL as well as the many indigenous courier and distribution services that were entering the market.

As a result a decision had to be made: either to drop the parcel service completely or to put effort in establishing a reliable distribution service. The latter decision was taken. Late in 1989 the An Post courier and parcel services were combined into one business unit under a unified and dedicated management team. It was supported by an operating system and a road transport fleet. In November 1990 this business was relaunched and resulted in the birth of An Post Special Distribution Services (SDS) in 1990. SDS was set up as a business division of An Post, however it was given a separate identity and branding together with an 'arms length' relationship to An Post. All of SDS's services operate in, contested non-monopoly markets.

Since its inception SDS has proven that quality service will earn customer loyalty, however this could only be achieved by a strong commitment to dependability, reliability and innovation. Strict controls and dedication to a customer-focussed attitude allows SDS to say with confidence that '*We Deliver Your Promise*'. Their commitment to quality is reflected in their ISO 9002 and



Q Mark accreditation and is personified through the four hundred dedicated staff that collect and deliver to customers on a daily basis.

This dedication has been reflected in their profit and growth figures for the past nine years. The trend of escalating losses was reversed and the business returned very quickly to profitability. Since 1990 SDS has doubled its volumes and as early as 1993 just three years after its inception SDS had consolidated its new position as market leaders. 1993 also saw the process of restructuring within the international delivery market as operators everywhere sought to take advantage of the removal of cross-border custom controls in the EU. While the joint venture of five postal administrations (Canada, France, Germany, Sweden, Netherlands with TNT) did not really effect the Irish market, SDS nevertheless continued to develop and strengthen relationships with international operators in order to protect international services for their customers.

1994 reflected another very successful year, a turnover of IR£29.7m reflected an increase of nine point six percent on the previous year. Additionally in this year in recognition of the changing needs of their customers SDS introduced a computerised Track and Trace system for all parcels and courier services. The new system allowed the pinpointing of barcoded items within the SDS collection and delivery network. It was in 1995 that SDS achieved the ISO 9002 and Q Mark. By 1996 the company turnover had reached IR£36.7m. The company has attributed their success to date to their strong customer focus and commitment to quality.

SDS recognise that a distribution company is only as good as its transport system. Consequently they have invested heavily in a superior, dedicated road transport system for the distribution of packages, parcels and urgent documents within Ireland. The central hub of operations is at Newlands on the Naas Road in Dublin. From this vantage the SDS fleet has access to Dublin City as well as all of the primary roads out of the city.



The transport fleet that supports the SDS business is not only the largest in the Irish courier/parcel industry but it is also one of the largest fleets per se in Ireland. Radio-control and state of the art security equipment is standard and satellite tracking is also currently being introduced on all vehicles.

In addition to the Newlands plant, SDS is supported regionally by distribution centres in Cork, Athlone, Portlaoise and more recently Limerick. Every item handled by SDS goes through one of these centres. Additionally SDS links with the An Post distribution network to offer delivery to every business and private address every working day in Ireland.

When it comes to international distribution, SDS has formed alliances with several international networks and couriers, and flies a dedicated aircraft into Britain every night. Service links with postal administration throughout the world enable SDS to offer service to over two hundred countries.

'The Granny Parcel'

In terms of parcel distribution, in the late seventies and early eighties the Irish Postal Service was still to a large extent operating in what is described as the *granny parcel* delivery era. The term *granny parcel* was coined to describe the parcels being sent by mainly residential customers around Ireland and between the UK and Ireland. These parcels could contain anything from clothing, whole hams, turkey and confectionery. Indeed during their busiest time at Christmas it was a common occurrence that Christmas Pudding would be sent from families in Ireland to relations in the UK.

However, it was also at this time that the nature of the parcel delivery industry began to change. Increasingly, the *granny parcel* began to give way to the business use of courier services. In part this was driven by expectations, businesses were not willing to wait for the delivery of important items. In addition the concept of Just In Time (JIT) was starting to take hold as a sound business strategy. Companies realised that they could save money by having stock and parts delivered just in time for use rather than having to have them warehoused or stored for long periods of time. Therefore the industry was looking for fast, reliable courier services that could ensure that they received their goods on time.

'Mediocrity to Success'

Life in SDS has changed a great deal from the old Post and Telegraph and An Post days. In order to achieve the status that it enjoys today it had to change eighty years of thinking and culture that had been there since the founding days of the State. The traditional environment can be likened to the cycle of mediocrity often found in large bureaucratic organisations. As such the organisation was stuck in a vicious cycle that precluded the characteristics necessary for excellence. Both employees and customers were being failed, while stuck in this cycle.

The organisational goals at this time involved striving for operational efficiencies through employees who carried out very narrowly defined jobs. Success in work was defined as, *'not making mistakes'* and promotion and salary increases were based on longevity rather than on job performance. Little if any attention was given to the quality of human interaction, either internally or with external customers. The end result of this poor service was, dissatisfied and frustrated customers who had very little faith in the reliability of the postal service. Users of the service were referred to as *'the public'* as opposed to *'customers'*, and the attitude was *'we do not care whether the service is used because we still get paid, in fact if it is not used, all the better because we will have less to do'*. However, especially in the case of letter post customers could not escape the bureaucratic hassles, unwilling employees and service inflexibility because they had nowhere else to take their business. However as world-class companies such as Federal Express, DHL, UPS and TNT started entering the Irish Distribution Market it became clear that change and a lot of it was necessary in order to survive. At this point in the eighties An Post had only five percent of the market share and even this was under threat.

Creating a cycle of success in order to compete with key international players as well as indigenous competitors was not something that happened by mistake. It involved creating a culture that could facilitate excellence and while some

traditions have yet to be broken the changes that have taken place over the last nine years have been mammoth. The theory that happy employees in turn produce happy customers had been proven in SDS. Considerable effort has been invested to ensure that SDS provides a good working environment for their employees. While there is no getting away from the monotony of unloading vans, sorting parcels and reloading, in SDS employees are given the opportunity to either self select the job they prefer doing or they can rotate between jobs in order to make the working day more interesting.

Additionally employees are given the opportunity to give their input, so if they can identify better ways to do things they can enjoy the benefits of having them implemented. Similarly, if management is implementing changes, employees that will be affected by it are involved in the planning process. This involvement and co-operation between management and employees has given staff a sense of ownership and pride in the company which ensures that each and every employee will go out of their way to ensure that all SDS customers get the service they deserve. They are very aware that *'the customer is king'*.

The change in SDS has been driven by a number of factors, sometimes the need for change becomes apparent because the operation is getting busier and busier and they do not have the resources to handle it. In other cases one change will role forward and will result in or identify the need for another. Change can be isolated to particular departments. In this situation the department will be solely responsible for the change process, the advantage here being that the people in charge of change are those that know all the *'ins and outs'* of the operation and can answer any questions as they arrive.

Major change is normally driven from the top. These types of changes have a direct effect on the future shape of the company and can involve substantial investment, investment in terms of finance, time and training. In this case change is identified in a number of ways, for example by examining the overall

performance of the company, looking at competitor practices and by keeping up with trends in technology. However while the identification for substantial change may come from the top, people who will be affected by the change and who have something to offer are invited to become part of the change process.

Change that is seeded lower down tends to be more practical. While these type of changes are more subtle they play a part in impacting on the efficiency of frontline performance. These changes are identified based on the employees' in-depth knowledge of the working environment. Changes identified by frontline have helped create a sense of ownership and interest for the jobs that they are doing.

'Star Wars'

For an industry that on the face of it is very 'low tech' (parcels are collected and delivered) change over the last number of years has to a large extent been driven by technological innovation. Two of the biggest technologies to impact on SDS were the Track and Trace system and the Digital Imaging Technology which were introduced in the mid nineties. Track and Trace involves the barcoding of parcels to allow for tracking during the different stages of delivery. Customers are given a stack of barcodes that they sign and attach to parcels that are to be collected. On collection the van driver scans the barcode removing a portion of it to return to head office. The section returned to the office is digitally scanned into the computer system. Every time the parcel is scanned during delivery, the system is updated, therefore when a customer wants to know the status of their parcel they can be updated immediately, in fact the information can be seen on the customers computer screen, thus eliminating the need for hard copy. This is a far cry from the old system introduced in 1985. This could only provide proof of delivery, in this situation the signature was collected on delivery and brought back to the office where it was manually fed into the system and reproduced on cards that were stored in filing cabinets.

Currently SDS is in the process of ensuring that satellite tracking can monitor all their vehicles, increasing the efficiency of their freight management. The SDS website is also impressive from a technological viewpoint, all customers (potential or current) with internet access can use the online rates calculator to determine the cost of delivering a particular package to a specified destination. As one interviewee commented the technologies they are using would have been considered from 'star wars' only five years ago.

Managers Rule OK!

In addition to technological change, changes in managerial practices have also been plentiful. The era when managers were considered the source of all wisdom has ended. The chain of command structure which once dominated life in An Post has dissolved. The environment was to large extent built on an '*Upstairs, Downstairs*' philosophy where contact between the top of the organisation and bottom was minimal. An extremely negative aspect of the civil service set up was that nobody could just simply made a decision. Everything had to be referred to a higher level until somebody in the chain had the power to make the final decision. However, as more and more change became necessary the decision making process was transformed from the autocratic chain of command system to a more democratic, discussion based, decision making process.

The supervisory element of the old regime was also a much harsher system and it was very much a *control* and *command* environment that in ways made employees resent the customer, seeing them as an intrusion. There was a feeling that there was no point in '*breaking our backs for some guy sitting in head office*' who did not appreciate or understand what their working day involved. In many cases the machinery did not work properly, for example the old PSM machine, that was used to sort parcels would actually drop parcels off into the wrong trolleys and everything would have to be re-sorted manually. Ironically the machinery in this case was purchased as it was deemed to be more efficient



than manual sorting, yet when this was proved not to be the case nobody was willing to do anything about it.

While obviously there are still levels where a certain amount of reporting and control is necessary the general nature of management and supervisory roles has changed. The new culture of SDS has been built based on co-operation between staff and management. Everybody with an opinion is encouraged to become involved and ideas are continually sought to assist and provoke change. Probably one of the main contributing factors to the widespread commitment to change has come about because people are consulted in advance about change. The reasoning behind it is explained to them and then discussion and feedback is sought on a continual basis.

The reality is that, in general staff in SDS work to a large degree on their own initiative, workers do not need a supervisor to tell them that a conveyor belt has stopped. They themselves simply do what is necessary to restart it. This acceptance of responsibility has encouraged the company to constantly look from both a customer and a staff point of view at the implications of their current practices and actively seek ways to improve things. The elimination of the '*Upstairs, Downstairs*' mentality has been a goal for a long time and as the level of communications increases between top and bottom. These barriers are slowly being broken. Managers no longer autocratically run their areas from their desks. Instead they mix with all levels thus encouraging open communications. In addition to mixing with lower levels, the barriers that once existed between managers operating in different functional areas has also disappeared as they try to combine ideas from the various departmental areas to improve both the quality of service and the quality of life in the organisation.

'We're Only as Good as Our Last Delivery'

The only constant in SDS is change. However the pace of it is increasing at a phenomenal rate. Rapid change is something that is becoming increasingly



familiar throughout Ireland, *'people want things now and they are not prepared to wait'*. The distribution industry is no different. In many cases if customers are not happy they simply move to another provider, and in an era of ever increasing competition and rapidly decreasing loyalty, service providers cannot afford to make any mistakes. Therefore the concept that *'we are only as good as our last delivery'* has never been more relevant.

The technologies that have been introduced in SDS have helped people to do their jobs better. If a customer has an enquiry about a parcel they are having delivered, a customer service representative can look it up a moments notice, giving the customers the information they want instantly. Indeed it often seems that information just for the sake of information is the name of the game. However, the customer should get whatever the customer wants and this is a philosophy that has to be adhered to every time the customer comes in contact with the company.

Throughout SDS there is a commercial awareness that was not there in the old days. Employees are aware of the need to change and improve in order to prosper and grow. Traditionally many employees joined the organisation after leaving school and worked their way up. In a lot of cases their fathers or uncles or even grandfathers worked there too, so it is not unusual to find third and fourth generation workers in SDS. This history has resulted in a huge amount of goodwill and loyalty to An Post and SDS and therefore people are interested in the future survival and success of the company. As a result employees try to make each experience that customer has with the company their best.

'We Deliver Your Promise'

An essential part of achieving the company goal of becoming market leaders has been the attention paid to creating an excellent service culture. The recognition of the need for service excellence in order to survive is widespread in SDS.



SDS is a growth driven business that intends to continue to grow in the face of huge competition. Critical to this intention is the understanding that without quality they are simply '*not at the races*' and that it is only when they get over the quality hurdle that the customer will be willing to talk to them. Offering quality service means that salespeople can go looking for business with the confidence that SDS is as good or better than any competitor.

An environment where '*tomorrow will do*' has been transformed to an environment where '*the best is only just good enough*'. The ideal of service excellence constantly drives SDS people to think of what they can achieve and what they can provide. The goal of excellence is something that is stated continually in the organisation, '*it is what we are about*'.

Fundamental to achieving this goal has been the commitment of frontline workers. At frontline, service excellence is seen as absolutely of the highest importance. They feel that they '*owe it to the customer*' to give them the best service possible. Customers give them their parcels for delivery and if a problem occurs from the time they post it, then it is up to frontline employees '*to raise heaven and earth*' to try and solve it. An individual never assumes that somebody else will look after the problem, so even if it is not their direct responsibility they will try to solve it anyway. At frontline excellence is not defined in terms of theory or models, to them excellence is when '*the customer is happy to see you coming to collect their parcels*'.

Commitment to excellence has permeated throughout all ranks in the company, from the drivers and sorters to managers and administrators, everybody is talking about the customer as their own and all take personal interest in ensuring customer satisfaction. An important part of this customer focus is realised through management ensuring that employees have had the necessary resources to deliver quality service. These provisions have meant that the company has gone from strength to strength and continues to do so. Possibly the greatest



outcome of their pledge to excellence has been the creation of a customer-focussed environment where people use their intelligence to ensure the best possible outcomes for their customers.

‘The Mail Must Get Through’

In an organisation the size of SDS things will not go right all of the time. Mistakes when they happen can be costly. However the philosophy in the company is that the customer should not suffer for company mistakes nor do they need know what SDS have had to do in order to deliver their parcels on time. In the past if for example an item was misrouted to Killarney instead of Kilkenny, (which was a regular occurrence because of the similarity of lettering) the item would have been put back in a bag and sent out the following day. However, in the new era of customer focus this mistake would mean that two drivers will be sent out to meet halfway between the two towns in order to ensure that the parcel will still be delivered on time.

SDS look at their mistakes as opportunities to improve and evolve. In the old system when mistakes occurred they simply paid (financially) for them. A typical example would be a damaged parcel. Traditionally a problem of this sort would involve the company compensating the customer involved and them simply forgetting about the incident. Now in addition to reimbursing the customer, the causes behind the problem are identified in the hope that they can be rectified for the future. In relation to the damaged parcel example, cages were introduced for carrying the parcels in order to try and protect them against damage.

The attention that is shown to this sort of detail in SDS is an important step in ensuring that they will not be left behind in the new millennium. Their commitment to ensuring that they are giving to the best service possible for the information available at the any given time is a direct result of the philosophy

that has been ingrained in the organisation culture for over a century and that is that *'the mail must get through'*.

'Spirit of Co-operation'

The importance of teamwork to change in SDS cannot be overstated. Teams not only guide change projects to completion, they also are increasingly the source of ideas for change. Indeed teamwork has been invaluable for the creation of ideas. Teamwork can be seen at both informal and formal levels in the company. Informally people consistently try to help and co-operate with their colleagues to ensure that no matter what needs to be done the customer will always get the service they deserve. The old divisions that once existed between departments (such as sales/marketing and finance) have been eroded so that everybody is united in working towards a common goal.

On a formal basis, *AFI Teams* (Areas for Improvement) have been established in order to look at specific practices in the company (for example, communications, delivery, collection and customer services). The driving force behind these teams is a never-ending self-assessment procedure. These teams involve a mix of people from the various levels in the company, who feel that they have something worthwhile to give to. As many twenty suggestions are brought to the table and discussed. Through continual discussion and negotiation those twenty suggestions are narrowed to two or three that are either put on trial or implemented. New suggestions are brought to the table on a ongoing basis in recognition of the fact that continuous improvement through change is required in order to succeed.

Change in many cases meant that people had to change the way they thought about work and how they performed their jobs. Changing the working practices of an entire workforce was something that took time and effort. One of the most notable success factors that enabled the acceptance of changes to working practices is that time is taken to explain why to people why they needed to

change the way they are doing things. It was no longer the case that orders arrived on slips of paper without explanation or reason. Workers are trained and educated so that they can adjust to new demands. In the case of new technologies, workers were trained 'in house' by colleagues who had been sent on courses. Therefore the introduction of computers which up to that point would have been very unfamiliar territory to many, did not pose any big problems. As Pat, a sixty year old frontline worker who has been with the organisation for over forty years commented '*I'm delighted to be able to go home and tell my grandchildren that I can use computers too*'. SDS finds that it is very important that people are given the opportunity to become involved in change processes, because they like to be in control of their own futures.

'Walking the Talk' - Involvement

It has for a long time been the policy in SDS to encourage *involvement* from anybody who has ideas or suggestions to give or who simply want to be part of change processes. Initially management visibly demonstrated to employees their commitment to them by empowering them to self-select their jobs within operational constraints. Therefore if people for example want to avoid using computers they can do so. If somebody does not want to unload vans it is not necessary for them to do so. Basically employees select the skills they want to use and work accordingly.

To further prove that management is not just paying *lip service* to involvement employees from all levels have been invited onto both the AFI teams and specific change project teams. Inviting individuals who have something to contribute has of course many advantages: firstly for example if something needs to be changed at frontline who better to involve than those who know every detail of working in that particular area. Secondly involving people in change helps gain acceptance for it, as people develop a *sense of ownership* when they have been involved in the process. And thirdly allowing a workforce to become

a key part of a change process helps them get over the main reasons for resistance to change.

If somebody is not involved on a team the new openness in the company means that they can go informally to their next in line or higher up if necessary. In addition staff suggestion boxes have been placed in all depots thus allowing for further suggestion generation. These boxes also allow people who may not have the confidence to approach management directly to make their suggestions known, anonymously, if necessary.

No matter where a suggestion has come from, if it makes sense from a financial point of view and more importantly from a customer-service point of view, it will be acted on. Involvement, in SDS has meant that employees have the opportunity to diagnose the efforts leading to change, examine the basic problem and get a feel for its importance. And all employees have been encouraged to do this. Involvement of this kind has been facilitated by the fact that the managers in SDS are not afraid to *'walk the talk'*.

'Unions – Not Confrontation, Co-operation'

Embedded deep within the culture of SDS is a strong union presence. From a management point of view this highly unionised system may be viewed as a very negative aspect of their corporate culture. However, while of course it is still the job of the union to ensure the best possible conditions for the workers they represent, the union in SDS are rational in recognising the need for change for the survival of the company as a whole. As such management and union officials have developed a strong sense of respect for each others roles.

At the outset of any major change proposal (or change that will effect working practices) management will meet with the unions to discuss it with them. These discussions usually involve a negotiation process. It is never a case that the union wants to block or hinder change. They simply want to ensure that it does

not threaten the working conditions of the employees they represent. Sometimes they may use a potential change project as a *bargaining tool* for something they want, but they never resist change just for the sake of it. The outcome of negotiations has always been the implementation of the proposed changes, with some give and take on both sides. Change based on this sort of consensus is what has worked for SDS.

‘Communications – A Key Success Factor’

SDS has found that communications is a crucial part of the change process. Management recognises that if people are told that they have to change, without really knowing what the change is about then they will encounter resistance. Whereas if management communicate and talk to people, the company can achieve two advantages: number one there is a two way process that helps to develop the best solutions. And secondly people feel that they are not just been given orders. Instead they are being consulted and highly motivated to become the owners of change.

The traditional method of communication in the postal service for any impending changes involved paper circulars being sent to the relevant departments. In essence this was purely an ‘*order form*’ that began with the phrase ‘*please implement*’. Discussion or negotiation in those days was not part of the equation. The end result was that in many cases people took their own interpretation of what was required, therefore at times confusion was widespread and this often lead to mistakes being made. Today in SDS communications can be identified on both informal and formal levels. Firstly, on a day today basis most communication including communications about change is made directly to the people that need to hear it. For example if the company were planning to build a new loading area, the communication may be as simple as going out and asking a driver how much room they need turn a truck around. Secondly, on a more formal level, if there are major changes to duties or working practices then communications is at union level. As was mentioned earlier the trade union is



informed of any major changes that are being proposed and negotiations take place until a consensus can be reached. Seminars are also used as a platform for communications especially in relation to change.

In SDS communications at times can still be difficult. This is largely due to the fact that the SDS workforce is spread over twenty six counties and in many cases employees can be working very different hours. Therefore in addition to verbal communications SDS has launched a company newsletter in which people are invited to give their views or any ideas they have. Information on change is also highlighted in this publication as well as in PostNews, which covers the entire An Post organisation.

'The Process of Discovery'

Benchmarking is a tool that is increasingly being used by companies to increase efficiency, enhance customer satisfaction, improve profitability and make continuous improvements. While in SDS benchmarking is not regarded as a formal process they do spend a lot of time being conscious of what other people are doing, for example they constantly monitor competitors to see if they have found better ways of doing things. SDS is also very aware of what is available in both Ireland and the rest of the world in terms of technology and they are actually to the fore in terms of implementing new systems.

Once a competitor introduces something new that is perceived as a better service by the industry's customers then SDS must at least match or in time surpass it. As John a key account manager put it, customers are not *'willing to go back to black and white, having seen colour'*. SDS have gone out and inspected competitor plants, and other organisations conducting similar operations. For example their Track and Trace system is based on technology from New Zealand while the new automated sorting plant is based on the design used by the Danish Postal Service.



Benchmarking in SDS appears to be driven by two things. Firstly customer expectations. As customers become more sophisticated, the ability to achieve best practice is paramount for success. Secondly, benchmarking has become a cost issue. If the company can find a way to conduct business more efficiently than its competitors, it has an immediate competitive advantage. This has a direct effect on profitability. However, regardless of the reason, a large portion of the success of SDS can be attributed to their '*process of discovery*' through the examination of best practices and their continuous search for superior performance.

'To Infinity and Beyond'

The pace of life in SDS has been increasing at a remarkable rate and the size of the organisation has grown rapidly over the last number of years. As a result there has been very little chance to stand still and take stock of exactly where they are and it is unlikely that this will alter in the next century. Establishing a culture of change and continuous improvement has meant that SDS has secured their place as market leader. However, they are also keenly aware that success is not a constant. They realise that they will have to continue to evolve and redefine their culture in order to secure their future.

The new ten million pound automated sorting expansion plant that is just being completed is a visible sign of the confidence that the company has in its future. This plant which is the first of its kind in Ireland will ensure that SDS can continue to provide superior distribution services to its customers while at the same time growing its business and strengthening its market leader position in the highly competitive distribution market. Of one thing the company is certain, and that is that a high quality of service will continue to be a major competitive advantage to SDS into the new millennium.

Chapter Five

Recommendations and Conclusions

5.0 Conclusions and Recommendation

Just as the nature of change is continuous so to is the nature of research. This study offers merely a snapshot of a company in transition. It highlights the views of a group of people at one particular point in time. Therefore the author feels that it may be of interest to take another such snapshot when SDS have progressed even further in their transition. The possibility of changing the focus of the study is also quite significant, for example looking at employee satisfaction with how change has been handled on a larger scale, possibly employing a quantitative approach.

Additionally the insights gained in this study were purely from an internal point of view, the views of SDS's customers and clients were not explored. The author feels that research either qualitative or quantitative would be of benefit as it would provide an assurance that the services they are offering to customers are in fact the services that their customers want. Additionally consumer research often produces areas for improvement that the company has not previously thought of, or deemed important.

The author would also see benefit in the opportunity to conduct further case studies on other companies that are in the same position as SDS, this would obviously indicate if change is unique for individual companies or can the same general guidelines be employed for all companies facing change. Related to this is the lack of success of many companies that have tried to change. This finding came as a surprise to the author considering the guidelines that are available, therefore the author feels that it may be interesting to turn the wheel and study companies that have been unsuccessful in their attempts to change. Thus a complete picture of the nature of organisational change could be gained, the successes and the failures. Such research would be beneficial in ensuring the future survival of companies operating in the service industry. In addition the author intends to re-write the research case study as a teaching case, which will

include teaching notes, so that the SDS story can be used as a source of learning by our future business leaders.

Final Words

Although, in the analysis chapter each proposition derived its own conclusions, the author feels that it is necessary to draw together a number of overarching conclusions that have come about as a result of conducting this study.

Managing change is not an easy task nor is it a given that every company can deal with change, for if this was the case the term bankruptcy would have become a thing of the past. However there are guidelines and strategies available which can ensure if a company commits itself to change, it will be successful. SDS have demonstrated through their policies and practices that they meet the requirements of a company committed to change. While a lot of what SDS has done in relation to change can be seen in the literature, the author has specifically identified a number of key areas in which she feels SDS have excelled in their endeavours to strive for excellence. These factors are put together in the form of a model and may possibly be used as guideline on which other Irish companies could model their change strategies.

First and foremost the management team that founded SDS had a vision of a desired future state for the company. Those employees who were selected to join the Newlands plant were informed about the vision and what it would take to make it a reality. The vision became ingrained in the company culture and various long and short term goals were set in order to achieve it. An inherent part of achieving this vision was the recognition that SDS needed to change in order to succeed. However producing change in a culture that previously and historically had been anti-change was a mammoth task, it was not something that was easy, or something that occurred over night. The model that has been produced highlights the key areas that have been identified by the author as having a substantial impact on the success of SDS's change transition.

In general three types or sources of change were identified in SDS. The first is, change due the physical environment. A certain amount of change has been driven due to fact that the business has outgrown the physical capacity of its surroundings. Secondly, management identify the need to change as a result of formal analysis techniques, such as market analysis, competitor analysis, trend forecasting and internal performance analysis. In addition managers conduct informal benchmarking so that the company can stay abreast of what is happening in the industry. The majority of change as a result of these factors has involved substantial time and financial investment. The third type of changes are those that have originated at frontline. Frontline employees have identified areas for improvement and change as a result of their 'hands on' experience in carrying out their jobs. SDS recognise that it makes sense that the people who are actually working in an area are the best equipped to identify if things can be done better.

Irrespective of the source, all initiatives for change are given the same consideration and where it is possible they are acted on. Additionally not all change ideas have to be approved by management, for example if the change is related to an operational activity at frontline, it would be worked out by the frontline employee and their supervisors. In a lot of cases, common sense rules and people are empowered to use their intelligence when it comes to change.

There are number of practices and policies demonstrated in SDS that the author has identified as aiding the change process. Again these have been broken into three areas: the organisation, management and frontline workers. The organisation called SDS has from the outset been established in a spirit of co-operation. The recognition that success could only come with the commitment and dedication of each layer within the organisation has meant that there is a strong ethic of everybody working together to achieve a common goal. There is no point in management developing strategies to deliver quality customer service if employees are unwilling to implement them. Similarly, a frontline

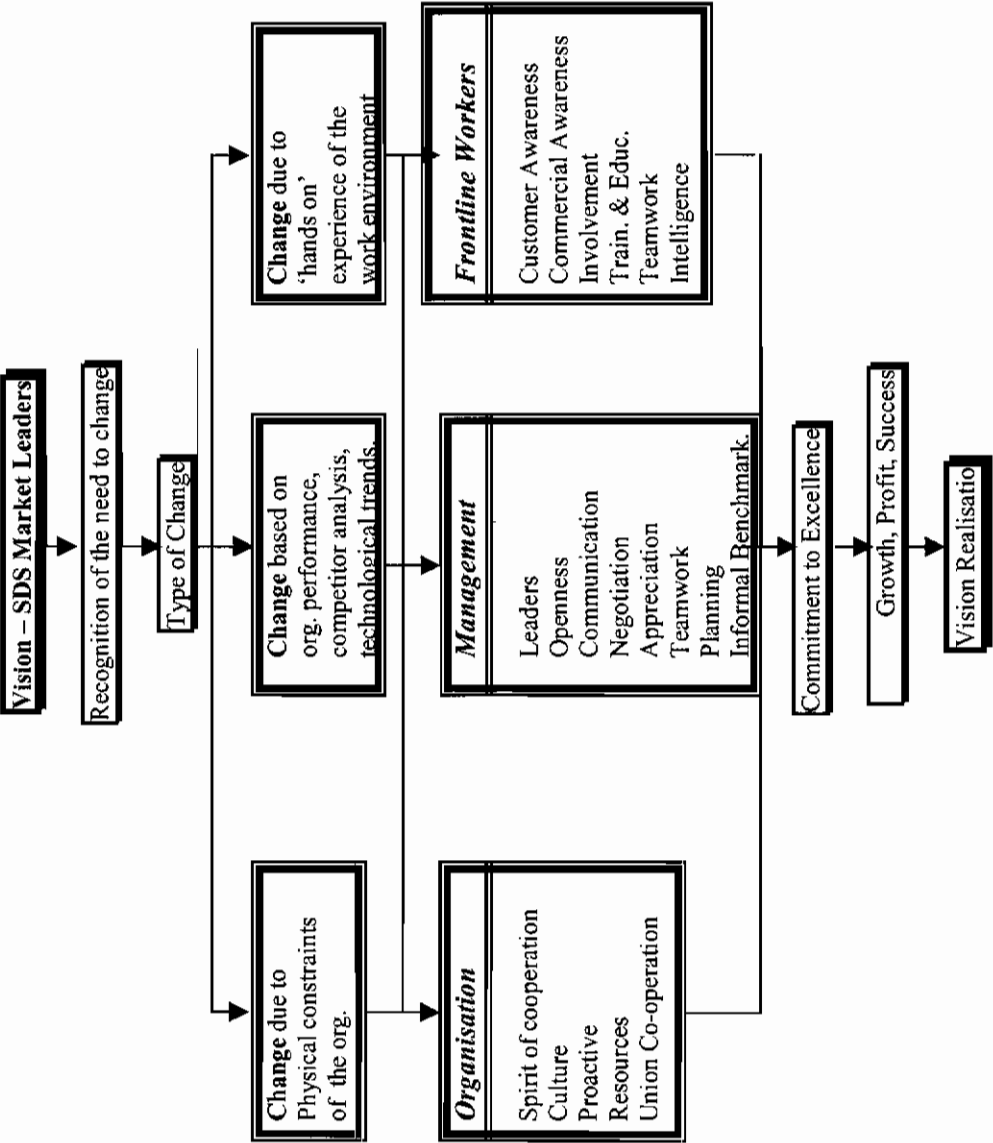
worker who wants to deliver a quality service to a customer will be unable to do so if s/he does not have the resources. Therefore delivering excellent service involves a chain of trust and commitment that runs the length of an organisation. This trust also extends between management and the union. Both parties through negotiation ensure that change is implemented at all times through consensus.

In order for SDS to survive, a culture that was anti-change had to be broken. Much of the initial impetus for the transformation to a change embracing culture came from the desire to be able to bring a cheque home at the end of each week, basically it was to survive. Physical, emotional and intellectual resources were put into proactively ensuring that SDS's culture was redefined to one that embraces change, strives for continuous improvement and is customer focused. SDS now views change as an opportunity to evolve rather than a threat to survival.

Changes within the organisation obviously involved changes in the ranks of management. The role of the manager in SDS has changed significantly, it is no longer a case that control is the most important characteristic. Instead managers lead the organisation members by example. Communication has become the key, managers no longer brow beat employees into submission, rather they negotiate to ensure that change is accepted based on consensus.

Managers are open to frontline input and involvement, they appreciate that they are in the best position to identify change and if ideas can be acted on they will be. The extent to which large scale change has been planned has also contributed to the success of their transitions so far. During every design phase the possible outcomes of each change process are estimated. Additionally in many cases, new processes are tested by putting them into operation in a limited area. It is at this stage that potential problems are encountered and ironed out,

Fig. 5.1The SDS Change Strategy



so that when a process is fully integrated it is the optimal solution for the information held at that time.

Teamwork has played an important role in both generating ideas for change, guiding change projects and helping people accept change. The AFI teams that are operational in SDS incorporate people from all levels within the company. These teams are on a continuous search for improvement, driven by both external stimulus and internal experience. It is normally the responsibility of the team from which a motion for change has emerged to guide the process to completion, this is not to say that each team must work in isolation, however it does mean that they take full ownership of the project. Having the backing and support of team members has enabled some people who previously feared and resisted change to accept and enjoy the results of it.

Finally, the attitude, input and commitment of frontline employees to change has resulted in the success of many change projects. Frontline employees in SDS have an astute understanding of the importance of the customer to SDS. They on many occasions go above and beyond the call of duty to ensure that where possible every SDS customer is a happy one. Employees are interested in what their competitors are doing and how they are doing in comparison. SDS to them is more than just somewhere to go to do eight hour shifts and get paid at the end of the week, it is a place in which they have immense pride and loyalty.

Workers in SDS are involved in change at every stage, from idea generation to design and implementation. This involvement has allowed them to take ownership of change. The end result of which is huge satisfaction, when they see changes that they have been involved with reaping rewards for them individually and for the organisation as a whole.

The training and education of frontline workers to cope with, for example technological changes has eliminated many of the reasons identified for resistance in the earlier chapters. Informed frontline workers, who have the tools to adjust to new working procedures, are an important asset of any company. Therefore putting the time and resources into employees is an essential part of building an excellent service organisation. Such empowerment has meant that employees in SDS are free to use their intelligence in ensuring the best outcomes for *their* customers. I highlight the word 'their' to bring to attention of the reader the complete commitment of SDS employees to every customer. To them the customer is not something that is spoken about in relation to the company as a whole rather they are the concern of each individual employee.

All of the above attributes and characteristics of life in SDS have contributed to their total commitment to excellence. This commitment, time and effort has not gone unrewarded, in the past nine years SDS has grown from strength to strength and they have reached their desired state as market leaders. However having fulfilled their vision they are still acutely aware of the importance of viewing change as a dynamic and lifelong process, therefore they continually seek the opportunity to change.

In conclusion, although for many, quality is ensuring that things are done well over and over again, the successful company of the future will have to employ effective quality assurance that is continual. Customer expectations will not stand still, what 'delights' them today will not necessarily do so tomorrow. Therefore the future survival will in large part be dependent on a continual ability to view change and service excellence as a dynamic process, that deserves the attention of an entire company. Perhaps it is wise to finish by taking heed from the warning provided by Charles Handy 1995, he urges that *'we must not let our past, however glorious, get in the way of our future'*.

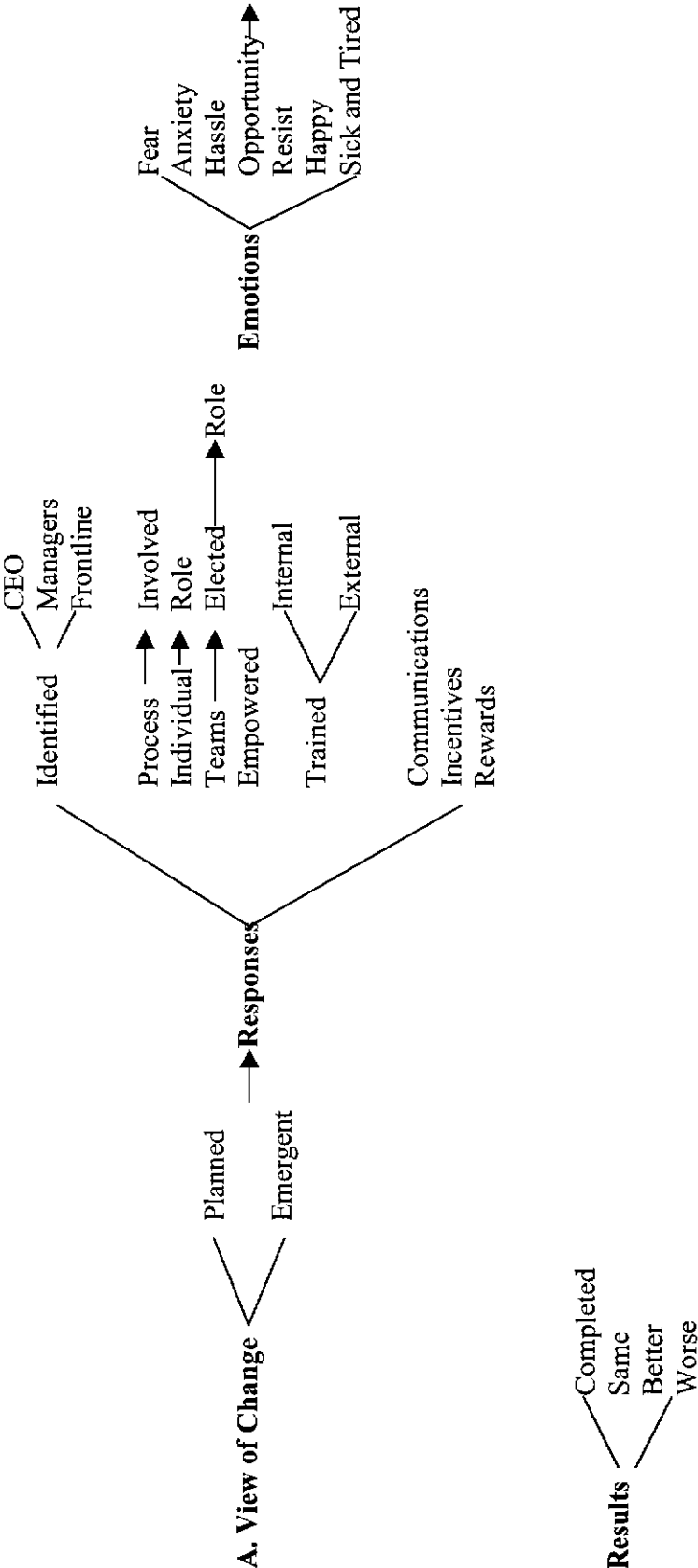
APPENDIX

A

Theme Sheets

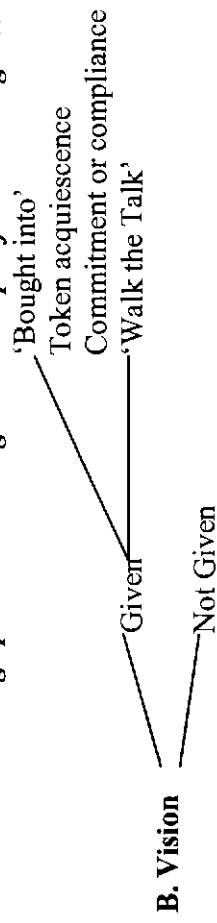
1. *Introduction*
2. *Ask for job description - What is your job title? What is your role in SDS?*
3. *Show and discuss cycles*
4. *Tell me a little bit about the changes that have taken place in SDS*

5. Who identified the need for change? What were the major driving forces behind the need for change?
6. How was the change process handled?

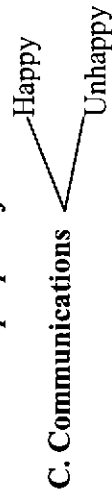


7. What sort of effects did the changes have on people's work practices?

8. *Would the change process have begun with a specific vision or goal? And if so was this vision communicated to every body?*

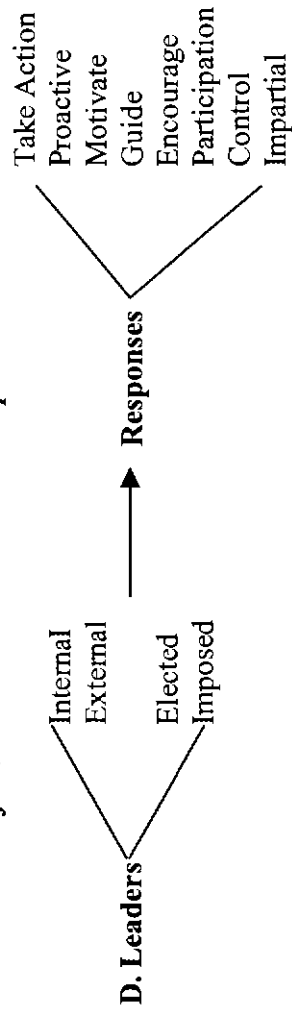


9. *How were people informed about the proposed changes?*

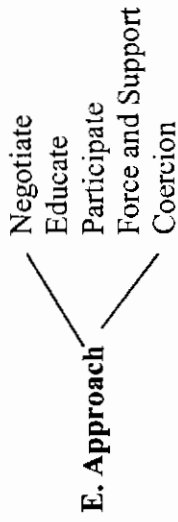


10. *Who took charge of the process? What position do they hold?*

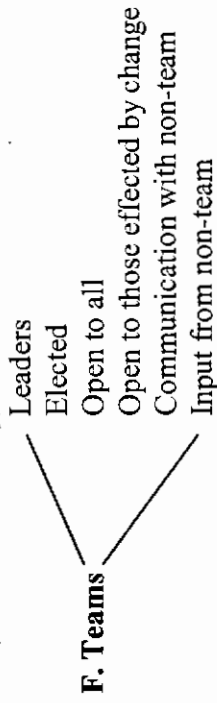
11. *What sort of role did the leaders take in the process?*



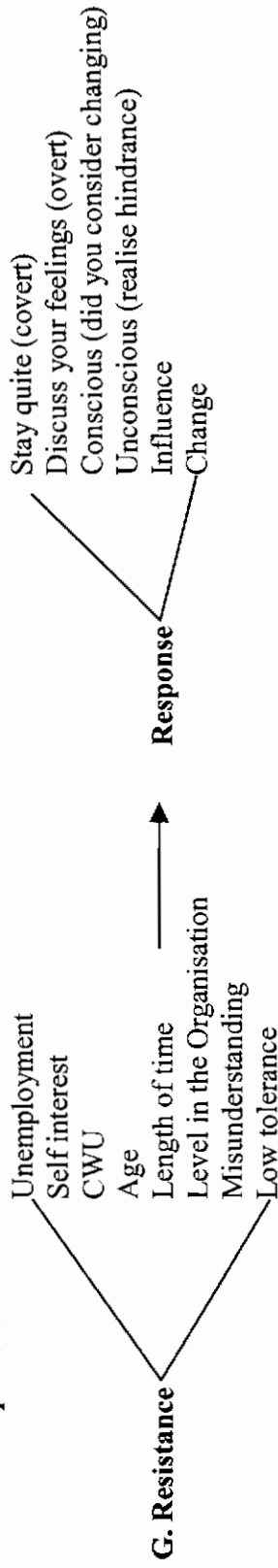
12. *What sort of approaches were taken to encourage people to make the necessary changes?*
 13. *What sort of responses did you did you get?*



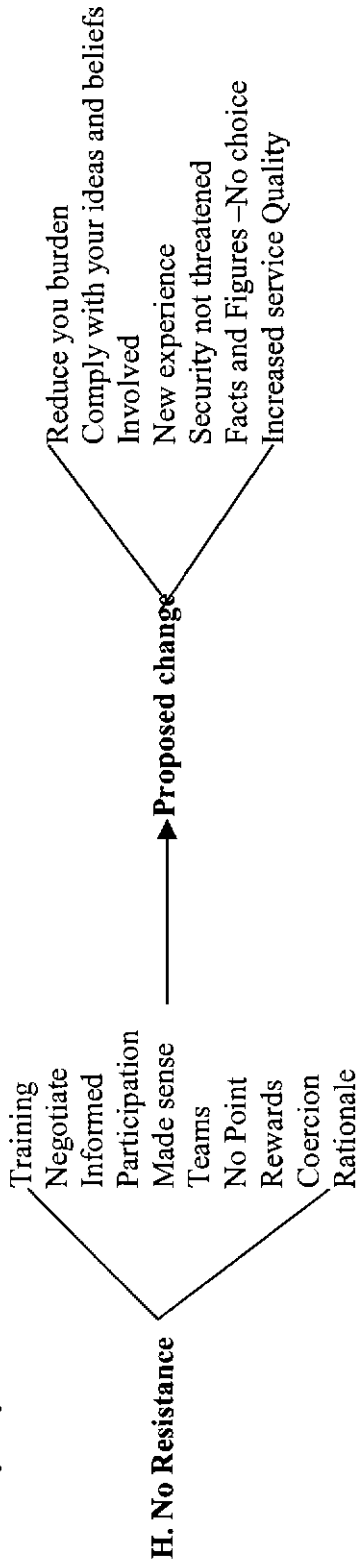
14. *(Were teams used), Tell me a bit about how teamwork was used to aid the change process*



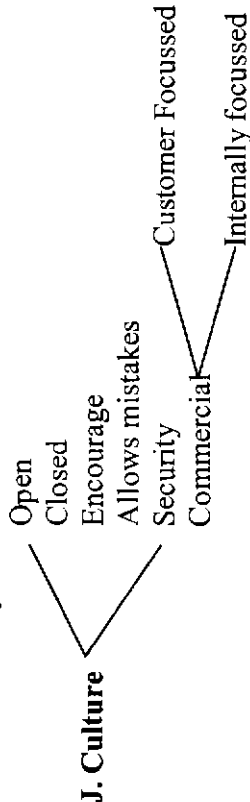
15. *Did you ever experience any resistance to the proposed changes?*
 16. *Why do you think people resisted change?*
 17. *How did people show their resistance?*
 18. *What steps were taken to overcome it?*



19. Why do you think there was little or no resistance?



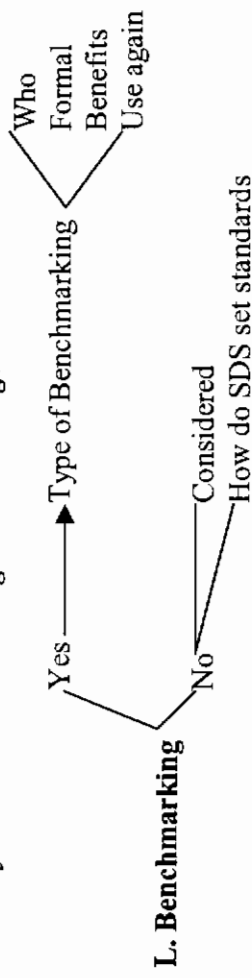
20. How would you describe the culture or environment in SDS?



21. How important is the attainment of service excellence to SDS?



22. Did you ever consider using benchmarking?



23. What future changes would you like to see happen in SDS to make life better for your customers and for the people working here?

Appendix

B

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